

CEDERBERG MUNICIPALITY

2011/2012 ANNUAL REPORT

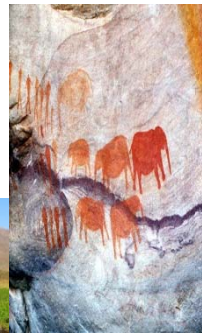


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CHAPTER 1

1.1 MUNICIPAL OVERVIEW

This report addresses the performance of the Cederberg Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2011/12 Annual Report reflects on the performance of the Cederberg Municipality for the period 1 July 2011 to 30 June 2012.

The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

Cederberg Municipality is a local municipality which governs an area of the *Western* Cape province of South Africa stretching from the Cederberg mountains through the middle valley of the Olifants River to the Atlantic coast. It includes the towns of Clanwilliam, Citrusdal and Lamberts Bay, and the surrounding villages and farms. As of 2007, it had a population of 31,942. It is located within the West Coast District Municipality. The municipality has a total area of 7,338 square kilometres (2,833 sq. mi).

1.2 OUR VISION

A development-centred municipality committed to the eradication of poverty, rural development and excellence in service delivery.

1.3 OUR MISSION

The Cederberg Municipality is committed to improve the quality of life of its community by:

- Developing and executing policies and projects, which are pro-poor.
- Unlocking the potential for economic growth and development in, especially, our rural areas.
- Ensuring sustainable, efficient and effective service delivery.
- Advancing capacity building programmes for both our staff and the community

1.4 BATHO PELE PRINCIPLES

1. Consultation

We can only assume to know what our customers want. The only way we can find out for certain is by asking them. This can be done through surveys, questionnaires, meetings, suggestion boxes, izimbizo and by talking to our customers. It's important to report back to customers so they know what to expect, and to our staff so they know what is expected from us.

2. Service Standards

Citizens should be told about the level and quality of the services they receive. If possible they should be given an opportunity to choose the service they want. The standards we set are the tools we can use to measure our performance, and therefore need to be realistic depending on available resources. We should also be able to measure these standards so that everyone can see if they are being met.

3. Access

There is much more involved when referring to access. It means making it easy for our customers to benefit from the services we provide. Easy access can be made possible by: - having wheelchair ramps, disabled parking bays, taking our services out to the community. Staff attitude may determine how approachable your component/directorate/department is.

4. Courtesy

We must be polite and friendly to our customers. Customers should be treated with respect and consideration. We must always be willing to assist. Telephone etiquette is vital. All our correspondence must be respectful.

5. Information

Citizens should be given full accurate information about the public services they are entitled to receive. Information is about reaching all our customers to make sure they are well informed about the services our department provides. This may be done in a number of ways-for example through newspapers, radio, posters and leaflets. It's important to remember that different customers have different needs and they do not all speak the same language.

6. Openness and Transparency

We should be open about our day to day activities, how much our departments receive, how that money is spent. This information should be available to the public. Annual reports, strategic plans, service commitment charters, etc. must be made available to the public. We should tell our customers where to complain and how to do it.

7. Redress

Redress is making it easy for people to tell us if they are unhappy with our service. We should train staff to deal with complaints in a friendly, helpful manner. An apology, full explanation and effective, speedy remedy should be offered when the promised standards of service have not been delivered. When complaints are made, we must give our customers a sympathetic ear. Have positive Responses to complaints.

8. Value for Money

We need to make the best use of available resources. Avoid wastage of time, money, and other resources. It also means eliminating waste, fraud and corruption and finding new ways of improving services at little or no cost.

9. Encouraging Innovation and Rewarding Excellence

Innovation: using new ways of doing things Encourage partnerships with different sectors in order to improve service delivery. Rewarding Excellence is also about rewarding the staff who "go the extra mile" in making it all happen.

10. Customer Impact

If we put all the Batho Pele Principles into practice, we then increase the chances of improvement in our service delivery. This in turn will have a positive impact on our customers. It is about how the eleven principles link together to show how we have improved our overall service delivery. Here we look at the benefits we have given to our customers both internally and externally.

11. Leadership and Strategic Direction

Our leaders must create an atmosphere which allows for creativity. Management must ensure that goals are set and that planning is done.

1.5 MAYOR'S FOREWORD

The year under review marked a period of change, both at an administrative and political level. I took office in the second quarter, and we appointed a new municipal manager in the third quarter and filled all section 57 management positions in the last quarter. The biggest challenge was to ensure stability in the institution during this transition phase. Whilst dealing with historic and legacy challenges of amongst others poverty, unemployment and inequalities, we were also faced with new challenges emanating in the community, like changing migration patterns, and xenophobic based violence.

Despite all the challenges the Municipality responded within the available resources to address the needs of our constituents. From a service delivery perspective we started with key infrastructure projects, including the Lambertsbay desalination, the Citrusdal Wastewater Treatment plant and the first houses were completed in the Graafwater Housing project.

We took public participation to the next level with the "People's Assembly" process and also produced the 3rd generation IDP. We strengthened relationships with national and provincial departments e.g. the Tourism with the Donkey cart 3 projects in Wupperthal and the Algeria upgrading of the campsite. The fishing communities of Lambertsbay and Elandsbay will also benefit in future years from the strategic partnerships flowing from the Marine and living resources grant. And the neighbourhood development grant. The Rural Development department established a working relationship with is in terms of their comprehensive rural development programme.

Although we had limited time to have an impact on the livelihood of our citizens during this financial year, we remain committed to improve the quality of life of our communities by:

- Developing and executing policies and projects, which are pro-poor.
- Unlocking the potential for economic growth and development in especially our rural areas.
- Establishing sustainable, efficient and effective service delivery.

JONAS WHITE

EXECUTIVE MAYOR

1.6 MUNICIPAL MANAGER'S OVERVIEW

The financial year 2012/13 for Cederberg Municipality was particularly challenging, and discerned by a changed administrative environment. Under new leadership for the second half of the year the municipality changed from an area based approach to a functional service delivery focus. The challenges of rendering basic services to all our people, and addressing the ageing infrastructure in our various towns kept the workforce busy.

For the year under review, the Municipality had to comply for the first time with all the Accounting Standards, and the GRAP 17 standard dealing with assets posed a particular challenge. The fundamental policies and practices had to be instilled in the entire staff component to underscore the importance of the handling of Council resources.

The Municipality also formed strategic partnerships with various stakeholders to ensure service delivery is expedited, in particular for the rural poor. Our expanded public works programme and community works programme created more than 1000 additional jobs which will bear fruit in years to come. However the we endeavour to create decent and sustainable jobs through infrastructure investment and stimulation of the Cederberg economy.

We also would like to thank each and every citizen in the municipal area for contributing to make Cederberg a better place for all.

Ian Kenned

Municipal Manager

1.7 STATUTORY ANNUAL REPORT PROCESS

No	Activity	Timeframe
1	Consideration of next financial year's Budget and IDP process plan. Except for the legislative content, the process plan should confirm in-year reporting formats to ensure that reporting and monitoring feeds seamlessly into the Annual Report process at the end of the Budget/IDP implementation period	July
2	Implementation and monitoring of approved Budget and IDP commences (In-year financial reporting).	
3	Finalise the 4th quarter Report for previous financial year	
4	Submit draft 2011/2012 Annual Report to Internal Audit and Auditor-General	
5	Municipal entities submit draft annual reports to MM	
6	Audit/Performance committee considers draft Annual Report of municipality and entities (where relevant)	August
8	Mayor tables the unaudited Annual Report	
9	Municipality submits draft Annual Report including consolidated annual financial statements and performance report to Auditor General	
10	Annual Performance Report as submitted to Auditor General to be provided as input to the IDP Analysis Phase	
11	Auditor General audits Annual Report including consolidated Annual Financial Statements and Performance data	September - October
12	Municipalities receive and start to address the Auditor General's comments	November
13	Mayor tables Annual Report and audited Financial Statements to Council complete with the Auditor-General's Report	
14	Audited Annual Report is made public and representation is invited	
15	Oversight Committee assesses Annual Report	
16	Council adopts Oversight report	December
17	Oversight report is made public	
18	Oversight report is submitted to relevant provincial councils	

19	Commencement of draft Budget/ IDP finalisation for next financial year. Annual Report and Oversight Reports to be used as input	January
T 1.7.1		

CHAPTER 2 – GOVERNANCE

2.1 POLITICAL GOVERNANCE

Section 52 (a) of the MFMA states that: The Mayor must provide general political guidance over the fiscal and financial affairs of the municipality. Cederberg uses the Executive Mayor system and the various political committees such as the following:

1. Council
2. Mayoral Committee
3. Portfolio committees (Section 80 committees)
4. Audit committee
5. Oversight Committee and
6. Ward committees

The following section will, in detail, lay out the operations and the state of these committees

2.1.1. Council

The council performs both legislative and executive functions. They focus on legislative, oversight, and participatory roles, and have delegated its executive functions to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

Below is a table that reflecting the Cederberg Municipal council as at 30 June 2012

Name of councillor	Capacity	Political Party	Ward representing or proportional
Jonas White	Executive Mayor	ANC	Proportional
Lorna Scheepers	Deputy Executive Mayor	ANC	Ward 3
Johan Muller	Speaker	ANC	Ward 1
William Abels	Member of the Mayoral Committee	ANC	Ward 6
Julio Fransman	Councillor	ANC	Ward 2
Danville Smith	Councillor	ANC	Ward 5
Judith Mouton	Councillor	DA	Proportional

Name of councillor	Capacity	Political Party	Ward representing or proportional
Letta Maseko	Councillor	DA	Proportional
Jimmy Barnard	Councillor	DA	Ward 4
Sylvia Newman	Councillor	COPE	Proportional
Berty Zass	Councillor	PAC	Proportional

The council seats changed from September 2011 due to a bi-election that took place in Ward 6.

2.1.2. MAYORAL COMMITTEE

The Executive Mayor of the Cederberg Municipality, Councillor Jonas White assisted, by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is the centre of the system of governance, since executive powers are vested in her to manage the day-to-day affairs. This means that she has a overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, as well as powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive operates in concert with the Mayoral Committee.

The name and portfolio of each member of the Mayoral Committee is listed in the table below for the period of this report:

Name of Member	Capacity
Cllr Jonas White	Executive Mayor
Cllr Lorna Scheepers	Deputy Executive Mayor and Chairperson of the Engineering and Planning Portfolio Committee
Cllr William Abels	Chairperson of the Corporate Services Portfolio
Cllr Danville Smith	Chairperson of the Financial Services Portfolio
Cllr Julio Fransman (non-executive)	Chairperson of the Community Development Services Portfolio

Section 80 Committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council. Section 79 committees are temporary and appointed by the executive committee as needed. They are usually set up to investigate a particular issue and do not have any decision making powers. Just like Section 80 committees they can also make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded.

2.2 ADMINISTRATIVE GOVERNANCE

The Municipal Manager is the Chief Accounting Officer of the Municipality. He is the head of the administration, and primarily has to serve as the chief custodian of service delivery and implementation of political priorities. He is assisted by his Management Team, as outlined in the table below:

Name of Senior Manager	Directorate	Performance agreement signed
Ian Kenned	Municipal Manager	Yes
Winston October	Director: Corporate & Strategic Services	Yes
Jongihlanga France	Director: Community Development Services	Yes
Phemelo Majeni	Director: Engineering & Planning Services	Yes
Elrico Alfred	Director: Financial Services	Yes

INTER-GOVERNMENTAL RELATIONS

Provincial Intergovernmental Relations

The Management Team and Councillors attended various provincial engagements with sectoral working groups and sector departments:

- SALGA Working Group Meetings
- MIG Manager Coordination Meetings: Western Cape Department of Local Government
- Community Works programme: National Department of Cooperative Governance and Traditional Affairs / Western Cape Department of Local Government
- Neighbourhood Development Programme: National Treasury / Western Cape Department of Local Government
- Municipal Infrastructure Support Agency: National Department of Cooperative Governance and Traditional Affairs / Western Cape Department of Local Government
- Upgrading of the Clanwilliam Dam: Department of Water Affairs
- Establishing Cooperatives in the Cederberg: Department of Rural Development and Land Affairs
- Utilising government properties in the Cederberg: Department of Public Works

2.4 PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipal operations. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the municipality. Such participation is required in terms of:

- The preparation, implementation and review of the IDP;
- Establishment, implementation and review of the performance management system;
- Monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

WARD COMMITTEES

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Ward Number	Committee Established – Yes or No	Number of Reports Submitted to the Speakers Office	Number of Ward Committee Meetings held 2011/2012	Number of Ward Meetings Public Meetings
1	Yes	6	7	2
2	Yes	6	7	4
3	Yes	6	7	4
4	Yes	6	7	1
5	Yes	6	7	4
6	Yes	6	7	1

WARD 1**COUNCILOR JOHAN MULLER**

NAME SURNAME	AND	PORTFOLIO	CONTACT NUMBER	DATES OF MEETING 2011/2012
NICOLAAS KOOPMAN		CRIME	078 011 2622	24 JULY 2011

SUSANNA MOUTON	HEALTH	082 585 4515	19 SEPTEMBER 2011
KATRIENA BARNIES	SPORT AND CULTURE	076 765 1791	
MELVIN ADAMS	YOUTH	082 585 4515	11 DECEMBER 2011
GERT BEZUIDENHOUDT	SAFETY OF SCHOOLS	078 221 4149	04 JANUARY 2012
LENA SEPTEMBER	EARLY CHILDHOOD DEVELOPMENT	072 581 5610	08 FEBRUARY 2012
PETRUS BRINK	AGRICULTURE AND LABOUR	073 836 1767	07 MARCH 2012
DEON VAN NEEL	EXPERIMENTAL FARM	073 682 3901	04 APRIL 2012
			02 MAY 2012
			06 JUNE 2012

WARD COMMITTEES

WARD 2

COUNCILOR JULIO FRANSMAN

NAME SURNAME	AND	PORTFOLIO	CONTACT NUMBER	DATES MEETING	OF
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			2011/2012
MZWANDILE MADIKWA	RESIDENTS INTEREST RIVERVIEW -	072 912 0486	N/A
ELIZABETH DA SILVA	YOUTH	073 207 3649	N/A
JAN WATERBOER	RURAL DEVELOPMENT	078 278 4941	N/A
DERICK MEYER	RESEIDENTS INTEREST ORANJEVILLE -	082 883 6825	16 AUGUST 2011
KARIN DOURIES	RESIDNETS INTEREST HEUWELSIG -	078 494 0599	04 JANUARY 2012
ANDREAS MOUTON	CRIME PREVENTION	076 933 6643	08 FEBRUARY 2012
PIETER ENGELBRECHT	BUSINESS	078 962 3420	07 MARCH 2012
ATHUR SMITH	SPORTS AND CULTURE		04 APRIL 2012
CORNELIUS LEWIN	HOUSING AND SOCIAL SERVICES		02 MAY 2012
RESIDENTS	TOWN		06 JUNE 2012

INTEREST			
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WARD 3

COUNCILOR LORNA SCHEEPERS

NAME AND SURNAME	PORTFOLIO	CONTACT NUMBER	DATES OF MEETING 2011/2012
DONOVAN MOORE	ECONOMIC DEVELOPMENT	072 912 0486	
ANDREAS APRIL	CLANWILLIAM AREA	073 207 3649	
ABRAHAM ADONIS	AGRICULTURE	078 278 4941	
NICKY CROSNEY	SPORT	082 883 6825	26 JULY 2011
DARRYL RUITERS	YOUTH	078 494 0599	04 JANUARY 2012
ALTA FARMER	EDUCATION AND ECD	076 933 6643	08 FEBRUARY 2012
WILFRED MULLER	POVERTY ALEVIATION	078 962 3420	07 MARCH 2012

WARD COMMITTEES**WARD 4****COUNCILOR JIMMY BARNARD**

NAME SURNAME	AND	PORTFOLIO	CONTACT NUMBER	DATES OF MEETING 2011/2012
DONOVAN MOORE		ECONOMIC DEVELOPMENT	072 912 0486	N/A
ANDREAS APRIL		CLANWILLIAM AREA	073 207 3649	N/A
ABRAHAM ADONIS		AGRICULTURE	078 278 4941	N/A
NICKY CROSNEY		SPORT	082 883 6825	26 JULY 2011
DARRYL RUITERS		YOUTH	078 494 0599	04 JANUARY 2012
ALTA FARMER		EDUCATION AND ECD	076 933 6643	08 FEBRUARY 2012
WILFRED MULLER		POVERTY ALEVIATION	078 962 3420	07 MARCH 2012

WARD COMMITTEES

WARD 5

COUNCILOR DANVILLE SMITH

NAME SURNAME	AND	PORTFOLIO	CONTACT NUMBER	DATES OF MEETING 2011/2012
Eliza Filand		Youth Development	078 053 5355	N/A
Bino Farmer		Emerging Farmers	082 304 5203	N/A
Pieter Kampher		Health	073 991 1104	N/A
Marius Boois		Leipoldtville	073 450 5956	10 AUGUST 2011
Leonard Engelbrecht		Education and Sport	073 269 0231	04 JANUARY 2012
Gerrit Ockhuis		Lambertsbay	071 409 7579	08 FEBRUARY 2012
Jackie Booysen		Rural Development	083 747 2425	07 MARCH 2012
Magda Cloete		Crime and Social Services	071 522 3022	04 APRIL 2012
Anna Saal		Chamber of Commerce and Tourism	071 041 4373	02 MAY 2012
Henry Sneewe		Religion	073 369 0742	06 JUNE 2012

WARD 6

COUNCILOR WILLIAM ABELS

NAME AND SURNAME	PORTFOLIO	CONTACT NUMBER	DATES OF MEETING 2011/2012
Aubreu Mcallum	Kleinvlei	027 492 3144	N/A
Donovan Velen	Grasvlei/Brugkraal	027 492 3088	N/A
Cindy Zass	Eselbank	027 492 3020	N/A
Dawid Koopman	Nuweplaas	027 492 3512	25 AUGUST 2011
Alton Paaring	Prinsekraal	027 492 3313	04 JANUARY 2012
Suzette Booysen	Beukeskraal	027 492 3405	08 FEBRUARY 2012
Mildred Velen	Langbome	027 492 3435	07 MARCH 2012
Dennis Bantam	Wupperthal	027 492 3060	04 APRIL 2012
Shireen van Schalkwyk	Wupperthal	027 492 3024	02 MAY 2012
Christa Resandt	Wupperthal	027 492 3846	06 JUNE 2012

2.4.1 WARD COMMITTEES

The Ward Committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the Cederberg Municipality strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery, IDP formulation and performance feedback to communities.

All wards have properly constituted ward committees and ward committee meetings sit regularly. The ward support officials keep records of all ward committee meetings, attendance registers and the minutes.

The purpose of the ward committee is:

- To get better participation from the community to inform council decisions,
- To make sure that there is more effective communication between the council and the community, and
- To assist the ward councillor with the consultation and report-backs to the community.

Ward committees are elected by the committee they serve according to their respective wards. A ward committee may not have more than 10 members, and women should be well represented. The ward councillor serves as the chairperson of the ward committee. Although ward committees have no formal powers, they play a key role in advising the ward councillor who in turn makes submissions directly to the administration. These committees play a very important role in the development annual revision of the IDP priorities of that ward.

2.5 SUPPLY CHAIN MANAGEMENT

Cederberg Municipality has a supply chain management policy that promotes fair, equitable, transparent, competitive and cost-effective procurement practices as required by Section 217 of the Constitution of the Republic Of South Africa.

Our Supply Chain Management policy complies with section 112 of the MFMA as well as the Supply Chain Management regulations that came into effect on 7 December 2011. The policy was drafted based on the SCM Model Policy issued by National Treasury and amended to suit the local circumstances within the ambit of the regulatory framework.

Cederberg Municipality has fully functional committees to deal with various procurement and supply chain procedures and these committees are:

- a) Bid Specifications Committee
- b) Bid Evaluation Committee
- c) Bid Adjudication Committee

2.5.1 Competitive Bids in Excess of R200,000.00

Bid Committee	Specification	Bid Committee	Evaluation	Bid Committee	Adjudication
16		12		5	

BY-LAWS AND POLICIES

Section 11 of the MSA gives a Council the executive and legislative powers to pass and implement by-laws and policies.

Below is a list of all the by-laws and policies adopted by council within the period under review.

By-laws/Policies Introduced during 2011/2012					
Newly Developed	Revised	Public Participation Conducted Prior to Adoption of By-Laws (Yes/No)	Dates of Public Participation	By-Laws Gazetted* (Yes/No)	Date of Publication
SCM Policy	Yes	No	N/A	No	30-Apr-12
Petty Chash Policy	Yes	No	N/A	No	30-Apr-12

*Note: See MSA section 13.

T 2.9.1

HR Policies and Plans				
	Name of Policy	Completed	Reviewed	Date adopted by council or comment on failure to adopt
		%	%	
1	Affirmative Action	100%	0%	Previous Financial Year(s)
2	Attraction and Retention	100%	0%	Previous Financial Year(s)
3	Code of Conduct for employees	100%	0%	Previous Financial Year(s)
4	Delegations, Authorisation & Responsibility	100%	0%	Previous Financial Year(s)
5	Disciplinary Code and Procedures	100%	0%	Previous Financial Year(s)
6	Essential Services	0%	0%	Previous Financial Year(s)
7	Employee Assistance / Wellness	100%	0%	Previous Financial Year(s)
8	Employment Equity	100%	0%	Previous Financial Year(s)
9	Exit Management	0%	0%	Previous Financial Year(s)
10	Grievance Procedures	100%	0%	Previous Financial Year(s)
11	HIV/Aids	50%	0%	Previous Financial Year(s)
12	Human Resource and Development	100%	0%	Previous Financial Year(s)
13	Information Technology	100%	0%	Previous Financial Year(s)
14	Job Evaluation	100%	0%	Previous Financial Year(s)
15	Leave	100%	0%	Previous Financial Year(s)
16	Occupational Health and Safety	100%	0%	Previous Financial Year(s)
17	Official Housing	100%	0%	Previous Financial Year(s)
18	Official Journeys	100%	0%	Previous Financial Year(s)
19	Official transport to attend Funerals	0%	0%	Previous Financial Year(s)
20	Official Working Hours and Overtime	100%	0%	Previous Financial Year(s)
21	Organisational Rights	100%	0%	Previous Financial Year(s)
22	Payroll Deductions	100%	0%	Previous Financial Year(s)
23	Performance Management and Development	100%	0%	Previous Financial Year(s)
24	Recruitment, Selection and Appointments	100%	0%	Previous Financial Year(s)
25	Remuneration Scales and Allowances	100%	0%	Previous Financial Year(s)
26	Resettlement	100%	0%	Previous Financial Year(s)
27	Sexual Harassment	100%	0%	Previous Financial Year(s)
28	Skills Development	100%	0%	Previous Financial Year(s)
29	Smoking	100%	0%	Previous Financial Year(s)
30	Special Skills	0%	0%	Previous Financial Year(s)
31	Work Organisation	100%	0%	Previous Financial Year(s)
32	Uniforms and Protective Clothing	100%	0%	Previous Financial Year(s)
33	Other:	0%	0%	Previous Financial Year(s)
Use name of local policies if different from above and at any other HR policies not listed.				
				T 4.2.1

2.7 WEBSITES

The municipal website (www.cederbergmun.co.za) is an integral part of the municipality's communication infrastructure and strategy. The website serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their websites, including the IDP, the annual budget, adjustment budgets, and monthly statutory financial reports as well as a range of policies.

Below is a website checklist to measure Cederberg Municipality's adherence to section 75 of the MFMA.

Municipal Website: Content and Currency of Material		
Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	29-May-12
All current budget-related policies	Yes	Various dates
The previous annual report (2010/2011)	Yes	29-Mar-12
The annual report (2011/2012) published/to be published	Yes	31-Jan-12
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act (2011/2012) and resulting scorecards	Yes	30-Jun-12
All service delivery agreements (2011/2012)	Yes	30-Jun-12
All long-term borrowing contracts (2011/2012)	Yes	Monthly
All supply chain management contracts above a prescribed value (give value) for 2011/2012	Yes	Monthly
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during Year 1	Yes	Monthly
Contracts agreed in 2011/2012 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Yes	Monthly
Public-private partnership agreements referred to in section 120 made in 2011/2012	Yes	Annually
All quarterly reports tabled in the council in terms of section 52 (d) during 2011/2012	Yes	Quarterly
<i>Note: MFMA s75 sets out the information that a municipality must include in its website as detailed above. Municipalities are, of course encouraged to use their websites more extensively than this to keep their community and stakeholders abreast of service delivery arrangements and municipal developments.</i>		T 2.10.1

2.8 INTERNAL AUDIT

Section 165 of the Local Government Municipal Finance Management Act, No 56 of 2003 provides that:

- (1) Each municipality and each municipal entity must have an internal audit unit.
- (2) The internal audit unit of a municipality must –
 - (a) Prepare a risk-based audit plan and an internal audit program for each financial year;
 - (b) Advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to-
 - (i) Internal audit;
 - (ii) Internal control;
 - (iii) Accounting procedures and practices;
 - (iv) Risk and risk management;
 - (v) Performance management;
 - (vi) Loss control; and
 - (vii) Compliance with this Act, and annual Division of Revenue Act and any other applicable legislation; and
- (c) Perform such other duties as may be assigned to it by the accounting officer.

Independence

All internal audit activities shall remain free of influence by any element in the organisation, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

Responsibility of the Internal Auditor

- a. Quarterly reviewing and reporting to the Audit Committee in accordance with paragraph 3.3.2 of this Charter on any scope of work restrictions placed on the Internal Auditor.
- b. Reviewing and monitoring of the risk management strategy, policy and overall processes.
- c. Developing of and quarterly reporting on the status of the execution of the annual Risk-based Internal Audit Plan.
- d. Flowing from the execution of the annual Risk-based Internal Audit Plan, reporting on significant audit findings and management action plans.
- e. Follow-up audits and reporting on previously reported audit findings.

- f. Progress on Operating Clean Audit Report (OPCAR).
- g. An opinion on the effectiveness of internal control processes and the managing of risks.
- h. A quarterly assessment of the performance management system.
- i. Reporting on the prevention, detection and investigation of fraudulent and corruptive activities, and monitoring of ethical behavior.
- j. Compliance with laws, regulations, corporate governance and best practices.
- k. Reporting on the Internal Audit budget and variances and resource requirements.

THE RISK BASED INTERNAL AUDIT PLAN: 2011/ 2012

Cederberg Municipality - Operational Risk Based Audit Plan (2011/2012)					
Period: 01 July 2011 – 30 June 2012					
Audit Engagement	Department	Risk Area (Extreme - High)	Hours Budgeted	Actual Hours Completed	Progress
Corporate Services	1) Housing	Insufficient supply, lack of housing.	40	40	Completed
Financial Services		Illegal Informal Settlements	40	40	Completed
	2) Loss of Income	Contract Register & Telephone Usage	160	100	Completed
	3) Budget Office	Valuation Roll & Rates, Process of General Valuation	80	40	Assisted
	4) Finance, SCM, Budget, Treasury	Non-compliance to Legislation & Regulations	80	80	Completed
	5) Treasury/	Tampering of	80	80	Completed

	Credit Control	Electricity Meters & Credit control matters. Recovery of bad debt.			
All Departments	6) Implementation of Policies;	Non-compliance to Legislation & Regulations	80	80	Completed
Municipal Manager & Strategic Services	7) Implementation of Policies – all departments	Non-compliance to Legislation & Regulations	80	80	Completed
	8) Communication	Com. To third parties; internal & external	80	40	Completed
Performance Audits	9) All depts.	PDO's etc.	320	320	Completed
Follow-up Audits	10) Quarterly	Corrective actions	160	80	In Progress
Ad-Hoc Audits	11) On Request	Special assignments	160	160	Completed
Operation Clean Audit & AG Audit File Preparation & EMIC	12, 13,14) Annually & Quarterly	All Related issues.	480	480	Completed
Administrative Duties	15) Compliance to Standards IIA/SA	Attribute and Performance standards	80	80	Continuous

Total			1920	1 700	
Total Completed %				88.54%	√
Total In Progress					
KPI Objective			80%		√

INTERNAL AUDIT REPORTS COMPLETED & ISSUED FOR PERIOD 1 JULY 2011 UP TO 30th JUNE 2012

RISK BASED AUDITS			
NAME OF REPORT	PROCESS/SYSTEM/ACTIVITY AUDITED	PERIOD UNDER REVIEW	DATE ISSUED
Compliance & Assurance Management Audit	MFMA Implementation Priorities	01 July 2010 to 30 June 2011	August 2011
Performance Management System Annual Review	Performance Management System	01 July 2010 to 30 June 2011	17 August 2011
Internal Audit Reviews	1. Auditor General Key Control Checklist; 2. IA Unit & Audit Committee Key Control Checklist; 3. MFMA & National Treasury Regulations Implementation Key Control Checklist; 4. DORA Regulations Key Control Checklist	01 Jul 2011 to 16 Sep 2011	21 September 2011
2009/2010 OPCAR Status Report	Operation Clean Audit Report regarding AG findings for 2009/2010	01 July 2009 to 30 June 2010	22 September 2011

A Review & Consulting Engagement regarding Strategic & Multi Year Income & Expenditure Management	Municipal Cost Recovery and Compliance with Legislation	01 July 2010 to 30 June 2011	25 October 2011
Performance Management System 1 st Quarter Review	Performance Management System	01 July 2011 – September 2011	24 November 2012

RISK BASED AUDITS (CONTINUE)

NAME OF REPORT	PROCESS/SYSTEM/ACTIVITY AUDITED	PERIOD UNDER REVIEW	DATE ISSUED
Internal Audit Report	<ol style="list-style-type: none"> 1. Relationship between the Integrated Development Plan (IDP) & Sector Plans; 2. Recommendations to assist in improvement of the Budget Process and IDP Cycle; 3. Correct mistakes in the Draft Annual Report for 2010/11 	01 July 2011 to 31 Dec 2011	10 January 2012
Review of Policies & Strategies	Policies and Strategic planning	01 July 2011 to 31 Dec 2011	January 2012
Mid-year Compliance Review	Effective Municipal Internal Controls	01 July 2011 to 31 Dec 2011	31 January 2012
Performance Management System 2 nd Quarter Review	Performance Management System	01 October 2011 – 31 December 2011	29 February 2012

AD HOC AUDITS FOR PERIOD 01 JULY 2011 UP TO 13 MARCH 2012

NAME OF REPORT	PROCESS/SYSTEM/ACTIVITY AUDITED	PERIOD UNDER REVIEW	DATE ISSUED
Impoundment of Animals	Processes that regulate the impoundment of animals	01 July 2010 to 30 June 2011	July 2011
Advisory/Consulting Report	Poverty Alleviation	N/A	25 August 2011
Complaint received from H & R Suppliers	Legislative requirements and By-law regulations	N/A	September 2011
Compliance/Consulting Audit Review	Availability and dependency on National & Provincial Treasury Grants	01 July 2010 to 31 Dec 2011	12 September 2011
Lambertsbay Caravan Park	Booking procedures and handling of complaints	Dec 2010	15 September 2011
Exit Report: DBSA	Development Bank of South Africa exit report	N/A	6 January 2012
Disposal of Erven 1765 & 1766	Legislative Compliance of the disposal of Erven 1765 & 1766	01 Dec 2010 to 30 June 2011	January 2012
Clanwilliam Resort	Review of Internal controls and possible loss of income	01 July 2011 to 31 Dec 2011	10 February 2012
Risk Audit Plan Schedule	Annual review/Audit of Cederberg Fish Processing Facilities Project	N/A	29 February 2012

FOLLOW UP AUDITS FOR PERIOD 01 JULY 2011 UP TO 13 MARCH 2012

NAME OF REPORT	PROCESS/SYSTEM/ACTIVITY AUDITED	PERIOD UNDER REVIEW	DATE ISSUED
Follow up of Internal Audit Recommendations	1. Telephone Usage Management; 2. Compliance with Policy	01 July 2010 to 31 Dec 2010	8 Jun 2011

	Register & Procedures		
Strategic Financial Management Implementation Plan	Strategic Financial Management	01 July 2011 to 31 December 2011 & On going	9 January 2012
Declarations of Interest	All employees to complete a declaration of interest form	01 July 2011 to 30 June 2012	18 January 2012

THE AUDIT COMMITTEE

Members:

01 July 2011 – 31st December 2011

- P Redelinghuys (Chairperson)
- SP Tredoux (Member)
- G Breda (Member)
- L. Basson (Member)

01 February 2012 – 31st May 2012

- Elrico Alfred (Chairperson)
- CP Cloete (Member)
- Francois Engelbrecht (Member)
- NC Swartbooi (Member)

01 June 2012 – 30th June 2012

- CP Cloete (Chairperson)
- Francois Engelbrecht (Member)

THE ROLE OF THE AUDIT COMMITTEE

In the exercise of its advisory role the audit committee may, as envisaged by section 166 of the MFMA, do the following:

- Review the annual financial statements to provide the Council with an authoritative and credible view of the financial position of the Municipality, its efficiency and effectiveness and overall level of compliance with the MFMA, the annual Division of Revenue Act and any other applicable legislation.
- Consider the Auditor-General's report on the financial statements and management responses thereto with a view to ensuring satisfactory responses and to respond to the Council on any issues raised by the Auditor-General in the audit report.
- The timing of engagements. The remuneration of the external auditors;
- Advise as to the effectiveness of the external auditors and monitor and report on the independence of the external auditor. Liaise with the Head of Internal Audit.
- Consider and review the audit plans of the internal auditor to ensure that it addresses the critical risk areas of the business of Council and to formulate instructions to the internal auditor.
- Receive relevant reports from internal audit.
- Review the performance of internal audit.
- Follow up on significant internal audit findings and highlighting the same to the Council.
- Monitor the co-ordination of activities between internal audit and external audit.
- Satisfy it that there are adequate controls in place to mitigate the risk of fraud and error. Issue the audit committee's report in the annual report of the municipality.
- Advise on risk management, accounting policies and effective governance
- Review the effectiveness of internal control systems, including the adequacy, reliability and accuracy of financial information.
- Ensure that no restrictions are placed on the scope and functionality of both internal and external auditors.
- Ensure compliance by the Local Municipality with major legal and regulatory provisions, code of conduct, by-laws, procedures and rules established by the council.
- Ensure an effective accounting system and reliable financial reporting.
- Assist the Council in its evaluation of the adequacy and efficiency of the internal control systems, accounting practices, information systems and auditing processes applied within Cederberg municipality on the day to day management of its business.

- Provide advice as to the introduction of such measures as in the committee's opinion may serve to enhance the credibility and objectivity of the financial statements and related reports.
- Provide feedback to the Council on the extent to which executive management is succeeding in managing the primary / key risk factors that have been identified and highlighted by the council.
- The audit committee should report to the Council on a regular basis in how it has discharged its duties:
- The audit committee reports on its duties in the annual report of the municipality, and to the Executive authority and Municipal Manager.

Section 121. (3)(j) of the MFMA requires the annual report to include any recommendations of the audit committee.

RISK MANAGEMENT

One of the prescripts of the Municipal Finance Management Act (MFMA) is that municipalities should design and implement risk management practices. This is to enable the political and administrative leadership to proactively plan their risk mitigation strategies for the achievement of strategic objectives as outlined in the municipalities' Integrated Development Plans (IDP), and as mandated in terms of this Act (MFMA), the Municipal Systems Act, regulations, and other government prescripts.

It is required in terms of section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003, that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality.

Although the internal auditor in most instances deal with the risk management matters, this is not ideal as he does not have sufficient capacity to effectively implement risk management and also need to audit risk management from an internal audit perspective.

TOP 6 STRATEGIC RISKS IN CEDERBERG MUNICIPALITY

Political Instability (Lack of Continuity)
Inability to Attract Scarce Skills (Competent Staff)
Excessive Expectations from the Community
Lack of Housing (Political Unrest)

Delays in Service Delivery
Economic Sustainability

STATUS QUO

- The municipality does not have a Risk Management Committee;
- Risk Management and the culture of a Risk Management approach is still work in progress in the municipality;
- Risk Assessments are either performed by consultants or the Internal Audit unit;
- From these Risk Assessments the Risk Based Internal Audit plan and strategy is compiled by the Internal Auditor;
- In the 2012/2013 Risk Registers were compiled by the Internal Audit unit after the Risk Assessment have been completed; A shared Risk Management service can be implemented to support all the municipalities in the District area and create a cost saving;

The vision should be to establish a shared service that would provide quality, cost effective and efficient services to West Coast District municipalities.

The District Municipality already took the initiative to research the possibility of such a shared service.

- It would be in the best interest of council to support this drive, both from a quality and economical perspective.

ANTI-FRAUD AND CORRUPTION

- The Anti-Corruption Strategy and Fraud Prevention Policy have been developed as a result of the expressed commitment of Government to fight corruption. It complements the National Anti-Corruption Strategy of the country and supplements both the Public Service Anti-Corruption Strategy and the Local Government Anti-Corruption Strategy.

It is the policy of the Municipality that fraud, corruption, maladministration or any other dishonest activities of a similar nature will not be tolerated. Such activities will be investigated, where required, and actions instituted against those found responsible. Such actions may include the laying of criminal charges, civil and administrative actions and the institution of recoveries where applicable.

- It is the responsibility of all employees of the Municipality to report all incidents of fraud or corruption, or any other dishonest activities of a similar nature.

Any fraudulent or corrupt behaviour must be reported immediately through the mechanisms set out in whistle blowing mechanism contained in section 3 of this Policy

All reports received will be acted upon, will be treated with the requisite confidentiality and will not be disclosed or discussed with parties other than those charged with investigation into such reports.

- All Managers are responsible for the detection, prevention and investigation of fraud and corruption or any dishonest activities of a similar nature, within their areas of responsibility.

CHAPTER 3 – SERVICE DELIVERY PERFORMANCE

3.1 INTRODUCTION

Performance Management is an on-going, systematic approach to improving results through evidence-based decision making, continuous organisational learning and a focus of accountability for performance. Performance Management is integrated into the IDP, transforming the organisation's practices so it is focused on achieving improved results for the public.

Performance Management uses evidence to support planning, funding and operations. Better information enables the organisation to recognise success, identify problem areas, and respond with appropriate actions.

Performance management is a process which measures the implementation of actions identified to achieve the organisation's strategy. It assists management to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration,
- to be transparent by providing information,
- to be responsive to the needs of the community, and
- to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP by using the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players". Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

3.2 LEGISLATIVE REQUIREMENTS

In terms of section 46 (1) (a) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with targets of and with performance in the previous financial year. The report must, furthermore indicate the development and service delivery priorities and the performance targets must set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

3.3 STRATEGIC PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical.

Municipalities must develop strategic plans and allocate resources for the implementation.

The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget. Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level. Details regarding specific basic service delivery targets, achievements and challenges will be included in the Annual Report of the municipality.

3.4 THE PERFORMANCE SYSTEM FOLLOWED FOR THE FINANCIAL YEAR 2011/2012

3.5 ADOPTION OF PERFORMANCE MANAGEMENT FRAMEWORK

Performance management is prescribed by chapter 6 of the Municipal Systems Act, Act 32 of 2000 and the Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7 (1) of the aforementioned regulation states that "Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the responsibilities of the different roleplayers". This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance. The municipality adopted a performance management policy framework. The policy is in process to be revised based on the input received from the Audit Committee and the municipal staff.

3.6 THE IDP AND THE BUDGET

The IDP was revised and updated for 2011/12 and the budget for 2011/12 was approved by Council in April 2011. The municipality started with the process of aligning the IDP with the performance management requirements and has improved the alignment of the IDP / Budget & the SDBIP for the 2010/11 and 2012/13 financial years.

Due to the change in the Municipal Council post the 18th May 2011 Municipal Election a new Council was elected and operated within the approved budget and performance plan for the period of 1st July 2011 till 31st December 2011 and the performance of the municipality is reflected in the below performance information. The subsequent period of 1st January 2012 to 30th June 2012 realised a change in the strategic direction of the municipality. The Municipal Council also identified the need for a new electronic SDBIP system to be implemented.

3.7 THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate levels. The SDBIP is a plan that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 prescribes that:

The IDP and budget must be aligned;

The budget must address the strategic priorities;

The SDBIP should indicate what the municipality is going to do during next 12 months; and

The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP were prepared as described in the paragraphs below and approved by the Executive Mayor.

3.8 ORGANISATIONAL PERFORMANCE

The organisational performance is monitored and evaluated within the SDBIP and the performance process can be summarised as follows:

The Top Layer SDBIP was approved by the Mayor on 28/04/2011 and the information was loaded on an electronic web based system. The web based system sent automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against key performance indicator targets for the previous month's performance.

The actual results against monthly targets set, are discussed in the monthly meetings to determine early warning indicators and discuss corrective measures if needed. The first quarterly report was submitted to Executive Mayoral Committee in September and the second quarterly report formed part of the section 72 report in terms of the Municipal Finance Management Act, which was submitted to the Mayor on January.

The Cederberg Municipality utilised the services of the Ignite Consulting for the first six months of the 2011/2012 financial and performance were monitored and reviewed in a strategic manner from January 2012 to June 2012 as the Municipal Council is in the process of acquiring the services of a new electronic SDBIP system for the 2012/2013 financial year.

3.9. MUNICIPAL MANAGER AND MANAGERS REPORTING DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all Section 57 employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The appraisal of the actual performance in terms of the signed agreement takes place twice per annum as regulated.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- ✓ Executive Mayor
- ✓ Portfolio Chairperson
- ✓ Municipal Manager
- ✓ Chairperson of the Audit Committee
- ✓ Municipal Manager from other Municipality

The Cederberg Municipality has not paid any performance bonuses for the year (2011/2012) under review and therefore no Review Panels were established for this purpose.

During the 1st half of the year (1st July 2011 / 31st December 2012) most of the Performance Mechanisms were not fulfilled as the Municipal Manager and the Directors resigned from the employ of the Cederberg Municipality.

The Municipal Manager, Mr. G Matthyse left the employ of the Cederberg Municipality at the end of October 2011 and forfeited his claim to a performance bonus which is captured in his close out agreement with the Cederberg Municipal Council.

The same applies for the Chief Financial Officer, Mr. F. Lotter who resigned in December 2011.

The Directorate Corporate and Strategic Services was vacant till the start of Mr. Winston October in December 2011.

The new Directors and the new Municipal Manager starting in December 2011 respectively conducted informal and formal assessments for the following half of the year (1st January 2012 till 30th June 2012 and these were conducted in the following manner:

Names	Designation	December 2012	April 2012	July 2012
		Informal Assessment	Formal Assessment	Informal Assessment
Winston October	Director: Corporate & Strategic Services	✓	✓	✓
Ian Kenned	Municipal Manager		✓	✓
Jongihlanga France	Director: Community Services		✓	✓
Phemelo Majeni	Director: Engineering & Planning Services		✓	✓
Elrico Alfred	Director: Financial Services			✓

The Formal Assessment was conducted at a Strategic Session of the Mayoral Committee at Donkieskraal during May 2012, where the Municipal Manager with the Directors were requested to present their KPIs to the Mayoral Committee during which the Mayco gave input and assessed each Directorate

3.10. FINANCIAL MUNICIPAL PERFORMANCE FOR THE 2011/2012 FINANCIAL YEAR AND MEASURES TAKEN TO IMPROVE PERFORMANCE

The financial performance is included in the attached financial statements and the performance will be reported on in more detail in the Annual Report.

3.11. SERVICE DELIVERY KEY MUNICIPAL PERFORMANCE FOR THE 2011/2012 FINANCIAL YEAR AND MEASURES TAKEN TO IMPROVE PERFORMANCE

3.11.1. STRATEGIC PERFORMANCE

This section provides an overview on the strategic achievements of the municipality in terms of deliverables achieved:

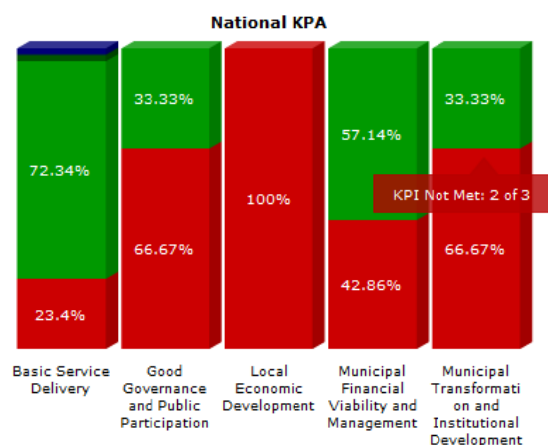
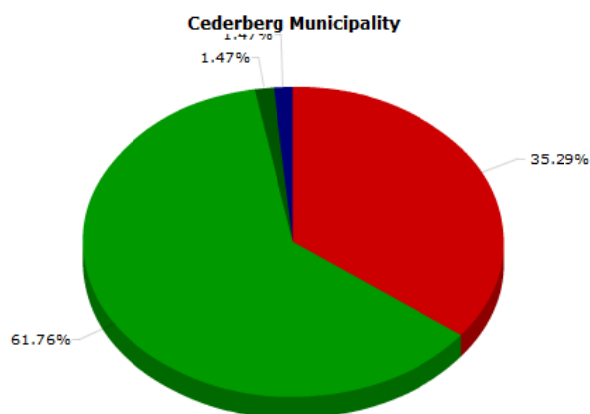
The Top Layer SDBIP is the municipality's strategic plan and shows strategic alignment between the IDP, budget and the performance plans. Strategic performance of the municipality is therefore measured in terms of the municipality's performance on its key performance indicators set in the Top Layer SDBIP.

The sections below illustrates the performance achieved according to the 5 National Key Performance Areas (KPA) linked to the IDP objectives.

During and after the 18th May 2011 local Government Election a new Council was elected and the new Council operated within the approved (28 April 2011) Integrated Development Plan (IDP) and the SDBIP. With the appointment of the new Municipal Manager and the Directors a new strategic framework was agreed during the Adjustment Budget period of January 2012. New Performance Agreements were signed with the Municipal Manager and the Directors for the second half of the 2011/2012 financial year and the periods applicable to the employment contracts of the individual Section 57 managers.

Colour	Category	Explanation
	KPI not yet measured	KPI's with no targets or actual results for the selected period
	KPI Not Met	Actual vs. target less than 75%
	KPI almost met	Actual vs. target between 75% and 100%
	KPI met	Actual vs. target 100% achieved
	KPI well met	Actual vs. target more than 100% and less than 150% achieved
	KPI extremely well met	Actual vs. target more than 150% achieved

3.11.2. PERFORMANCE FOR THE PERIOD: 1ST JULY 2011 TILL 31 DECEMBER 2012



	Cederberg Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
■ KPI Not Met	24 (35.3%)	11 (23.4%)	6 (66.7%)	2 (100%)	3 (42.9%)	2 (66.7%)
■ KPI Almost Met	-	-	-	-	-	-
■ KPI Met	42 (61.8%)	34 (72.3%)	3 (33.3%)	-	4 (57.1%)	1 (33.3%)
■ KPI Well Met	1 (1.5%)	1 (2.1%)	-	-	-	-
■ KPI Extremely Well Met	1 (1.5%)	1 (2.1%)	-	-	-	-
Total:	68	47	9	2	7	3

3.12 ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

3.12.1 BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Areas namely Municipal Infrastructure and Basic Services Delivery, Social Well-being and Sustainable Environmental utilisation. The IDP Objectives that are linked to Basic Service Delivery is: "Sustainable and quality living environment with efficient infrastructure and efficient connectivity infrastructure"

National KPA	IDP Objective	KPI	Annual Target	Overall Performance for Sep 2011 to Dec 2011		
				Target	Actual	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	To provide a community centre	100%	0%	0%	N/A
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	All existing informal settlements is formalised with land use plans for economic and social facilities and with the provision of permanent basic services	100%	100%	0%	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Implementation of Integrated Human Settlement Strategy measured by the % implemented or % adherence to policy or no of projects complying with approved strategy by the end of June	1	1	0	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and	To provided low cost housing	80%	0%	0%	N/A

	affordable manner					
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Disaster Management Plan reviewed by the end of September 2011	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of sport facilities	6	6	0	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic electricity in terms of the equitable share requirements	1,200	1,200	429	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic electricity in terms of the equitable share requirements	50	50	25	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic refuse removal in terms of the equitable share requirements	1,200	1,200	475.5	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic refuse removal in terms of the equitable share requirements	R 57.28	R 57.28	R 28.64	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic sanitation in terms of the equitable share requirements	1,200	1,200	462	R

Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic sanitation in terms of the equitable share requirements	R 100.72	R 100.72	R 50.36	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of free basic water in terms of the equitable share requirements	1,200	1,200	489.5	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Quantum of free basic water per household in terms of the equitable share requirements	6	6	3	R
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of electricity that are connected to the national grid to all formal areas	5,540	5,540	5,540	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of electricity that are connected to the national grid to all informal areas	50%	50%	50%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of refuse removal, refuse dumps and solid waste disposal to all formal areas	4,978	4,978	4,978	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of refuse removal, refuse dumps and solid waste disposal to all informal areas	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and	Provision of sanitation systems limited to domestic waste water and sewerage disposal	4,633	4,633	4,633	G

	affordable manner	to formal HH				
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of sanitation systems limited to domestic waste water and sewerage disposal to informal HH	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of cleaned piped water to all formal HH within 200m from the household	5,161	5,161	5,161	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of cleaned piped water to all informal HH within 200m from the household	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Halls and facilities are maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for halls and facilities by July 2011 to ensure that they are maintained	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Graveyards is maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G

Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for graveyards by July 2011 to ensure that graveyards are maintained	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for recreational areas by July 2011 to ensure that recreational areas are maintained	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Recreational areas is maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provisioning of street lightning	95%	95%	95%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Effective management of electricity provisioning systems	23%	46%	46%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Electricity assets maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G
Basic Service	To provide and maintain municipal services in an	Revision of maintenance schedule for electricity assets by	100%	100%	100%	G

Delivery	adequate and affordable manner	July 2011 to maintain assets				
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Maintenance of municipal road assets are maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Municipal roads is maintained measured by the square meters of roads patched per annum	3,600	2,100	2,100	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for municipal roads by July 2011 to ensure that it is maintained	100%	100%	100%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Municipal parks and recreational areas is provided to all HH measured by the no of wards with access to recreational areas	6	6	6	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Refuse assets are maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for refuse removal assets by July 2011 to ensure that it is	100%	100%	100%	G

	affordable manner	maintained				
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	To improve refuse removal service delivery	6,000%	0%	0%	N/A
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Improvement of sanitation systems	43%	0%	0%	N/A
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of stormwater management systems in built up areas to all formal HH	100%	100%	100 %	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Provision of stormwater management systems in built up areas to all informal HH	50%	50%	50%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for sanitation assets by July 2011 to ensure that it is maintained	100%	100%	100 %	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for stormwater systems by July 2011 to ensure that it is maintained	100%	100%	100 %	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Sanitation assets are maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the	100%	40%	40%	G

		Technical Directorate				
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Stormwater assets are maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	40%	40%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Quality of waste water discharge measured by the % water quality level	20%	20%	27%	G2
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Effective management of water provisioning systems to limit unaccounted water	30%	60%	41%	B
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Improvement of water purification system capacity	100%	0%	0%	N/A
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Improvement of water purification system capacity	100%	0%	0%	N/A
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Revise maintenance schedule for water assets by July 2011 to maintain water assets	100%	100%	100%	G

Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Water assets are maintained measured by the % of the maintenance budget spent by the regional managers and monitored by the Technical Directorate	100%	25%	25%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Excellent water quality measured by the quality of water as per SANS 242 criteria	70%	70%	70%	G
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Implementation of the Water Demand Management plan	1	0	0	N/A

3.12.2. GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Area namely Good Governance. The IDP Objective that is linked to Good Governance and Public Participation is: "Democratic and accountable governance"

National KPA	IDP Objective	KPI	Unit of Measurement	Wards	Annual Target	Overall Performance for Sep 2011 to Dec 2011		
						Target	Actual	R
Good Governance and Public Participation	To provide democratic and accountable governance	Effective and up to date By-laws	No of By-laws revised annually	All	3	0	0	N/A

Good Governance and Public Participation	To provide democratic and accountable governance	Integrated development planning measured by the alignment of the municipal spending with IDP	The percentage of a municipality's capital budget spent on capital projects identified in the IDP	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	The adjustment budget is approved by Council by the legislative deadline	Approval of Adjustments Budget before the end of February 2012	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	The main budget is approved by Council by the legislative deadline	Approval of Main Budget before the end of May 2012	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	The Top Layer SDBIP is approved by the Mayor within 28 days after the Main Budget has been approved	Top Layer SDBIP approved within 28 days after the Main Budget has been approved	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	Effective functioning of council measured in terms of the number of council meetings per annum	No of council meetings per annum	All	4	2	0	R
Good Governance and Public Participation	To provide democratic and accountable governance	Effective functioning of the committee system measured by the number of committee meetings per committee per	No of sec 79 committee meetings per committee per annum	All	4	2	0	R

		quarter						
Good Governance and Public Participation	To provide democratic and accountable governance	Effective functioning of ward committees to ensure consistent and regular communication with residents	No of ward committee meetings per ward per annum	All	4	2	0	R
Good Governance and Public Participation	To provide democratic and accountable governance	IDP approved annually by the end of May	IDP approved by the end of May 2012	All	100%	0%	0%	N / A
Good Governance and Public Participation	To ensure a client orientated municipality that is efficient and effective	Implementation of the Employment Equity Act	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	1	0	0	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	Annual report and oversight report of council submitted before the end of March	Report submitted to Council	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	No of Section 57 performance agreements signed by the end of July	No of performance agreements signed	All	4	4	0	R

on								
Good Governance and Public Participation	To provide democratic and accountable governance	Institutional Performance management system in place and implemented up to level 7	Implemented up to level 7	All	7	0	0	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	The municipality comply with all the relevant legislation	0 findings in the audit report on non-compliance with laws and regulations	All	0	0	0	G
Good Governance and Public Participation	To provide democratic and accountable governance	To determine citizen satisfaction	Citizen satisfaction survey conducted by March 2012	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	Effective communication with communities	Reviewed communication policy by November 2011	All	100%	100%	100%	G
Good Governance and Public Participation	To provide democratic and accountable governance	Functional Audit Committee measured by the number of meetings per annum	No of meetings held	All	4	2	1	R
Good Governance and Public Participation	To provide democratic and accountable governance	Risk based audit plan approved by July 2011	Plan approved by July 2011	All	100%	100%	0%	R

Good Governance and Public Participation	To provide democratic and accountable governance	The municipality listens and talks back to its people by ensuring that the IDP is endorsed by all wards	No of ward committees endorsing the IDP	All	6	0	0	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	Strengthen the role of communities by facilitating ward based development plans	No of ward/area/neighborhood based development plans completed	All	1	0	0	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	Implementation of the anti-corruption policy	Hotline established by June 2012	All	100%	0%	0%	N / A
Good Governance and Public Participation	To provide democratic and accountable governance	Review the anti-corruption policy	Reviewed policy by November 2011	All	100	100	100	G
Good Governance and Public Participation	To ensure the effective management and conservation of the natural environment	IDP and sectoral plans aligned with Spatial development plan	% alignment	All	100%	0%	0%	N / A
Good Governance and Public Participation	To ensure the effective management and conservation of the natural environment	Spatial development plan aligned with PSDF and PGDS	% alignment	All	100%	0%	0%	N / A
Good Governance and Public	To provide democratic and accountable governance	The IDP is comprehensive and complies with the requirements of	No of required sectoral plans included in the	All	4	0	0	N / A

Participation		the Systems Act	IDP					
Good Governance and Public Participation	To ensure the effective management and conservation of the natural environment	Spatial Development Plan reviewed and submitted to PGWC annually by June 2012	Review and submitted to PGWC annually by the end of June 2012	All	100%	0%	0%	N / A

3.12.3. LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely Economic Prosperity. The IDP Objective that is linked to Local Economic Development is: "Economic prosperity based on dynamic, diverse and shared economic base"

Ref	National KPA	IDP Objective	KPI	Unit of Measurement	Wards	Annual Target	Overall Performance for Sep 2011 to Dec 2011		
							Target	Actual	R
TL19	Local Economic Development	To promote economic growth through investment in people	The number of jobs created through municipality's local economic development initiatives including EPWP capital projects	Number of job opportunities created	All	150	50	0	R
TL52	Local Economic Development	To promote economic growth through investment in people	Local Economic Development is driven by a strategy	LED strategy reviewed by June 2012	All	100%	0%	0%	N / A
TL53	Local Economic Development	To promote economic growth through investment in	No of initiatives implemented in terms of the approved LED	No of workshops for SMME's on identified topics	All	4	2	0	R

		people	strategy						
TL5 4	Local Economic Developm ent	To promote economic growth through investment in people	Value of contracts assigned to SMME's to enhance economic development	Value (Rand) of contracts assigned to SMME's	All	R 500,000	R 0	R 0	N / A

3.12.4. MUNICIPAL FINANCIAL VIABILITY MANAGEMENT

The National Key Performance Area Municipal Financial Viability and Management are linked to the Municipal Key Performance Area namely Financial Viability. The IDP Objective that is linked to Municipal Financial Viability is: "Efficient and financially viable municipality"

Ref	National KPA	IDP Objective	KPI	Unit of Measurement	Wards	Annual Target	Overall Performance for Sep 2011 to Dec 2011		
							Target	Actual	R
TL2 2	Municipal Financial Viability and Management	To improve financial viability and sustainability	Financial viability measured in terms of the available cash to cover fixed operating expenditure	Cost coverage ((Available cash+ investments)/ Monthly fixed operating expenditure	All	2	2	2	G
TL2 1	Municipal Financial Viability and Management	To improve financial viability and sustainability	Financial viability measured in terms of the outstanding service debtors	Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	All	0.5	0.5	0.03	R
TL2 0	Municipal Financial Viability and Management	To improve financial viability and sustainability	Financial viability measured in terms of the municipality's ability to meet it's service debt	Debt coverage ((Total operating revenue- operating grants received)/debt service payments due within the year)	All	1	1	0.5	R

			obligations						
TL5 6	Municipal Financial Viability and Managem ent	To improve financial viability and sustainability	Updated indigent register for the provision of free basic services	Updated indigent register by September 2011	All	100%	100%	100 %	G
TL5 8	Municipal Financial Viability and Managem ent	To improve financial viability and sustainability	Approved financial statements submitted by 31 August	Approved financial statements submitted	All	100%	100%	100 %	G
TL6 2	Municipal Financial Viability and Managem ent	To improve financial viability and sustainability	Effective and efficient property valuations	No of successful disputes	All	0%	0%	0%	N / A
TL5 9	Municipal Financial Viability and Managem ent	To improve financial viability and sustainability	Improvement in capital conditional grant spending measured by the % spent	% of the grant spent	All	100%	0%	0%	N / A
TL6 0	Municipal Financial Viability and Managem ent	To improve financial viability and sustainability	Improvement in operational conditional grant spending measured by the % spent	% of the grant spent	All	100%	0%	0%	N / A
TL5 5	Municipal Financial Viability and Managem ent	To improve financial viability and sustainability	Improved revenue collection	% Debt recovery rate	All	92%	92%	46 %	R

TL6 1	Municipal Financial Viability and Management	To improve financial viability and sustainability	Compliance with the SCM Act measured by the limitation of successful appeals against the municipality	0 successful appeals	All	0	0	0	G
TL5 7	Municipal Financial Viability and Management	To improve financial viability and sustainability	% of Root causes of issues raised by AG in AG report of the previous financial year addressed to promote a clean audit	% of Root causes addressed	All	90%	0%	0%	N / A

3.12.4. MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely Institutional Transformation and Development. The IDP objective that is linked to Municipal Transformation and Institutional Development is: "Institutional Excellence"

Ref	National KPA	IDP Objective	KPI	Unit of Measurement	Wards	Annual Target	Overall Performance for Sep 2011 to Dec 2011		
							Target	Actual	R
TL1 8	Municipal Transformation and Institutional Development	To ensure a client orientated municipality that is efficient and effective	Targeted skills development measured by the implementation of the workplace skills plan	% of the budget spent on implementation of the WSP	All	1%	0%	0%	N / A

TL5 0	Municipal Transfor mation and Institutio nal Develop ment	To ensure a client orientated municipality that is efficient and effective	Development of new identified HR policies by the end of June to ensure compliant and up to date HR policies	No of new policies developed	All	2	2	0	R
TL4 9	Municipal Transfor mation and Institutio nal Develop ment	To ensure a client orientated municipality that is efficient and effective	Effective labour relations by facilitating regular LLF meetings per annum	No of meetings of the LLF per annum	All	6	3	3	G
TL5 1	Municipal Transfor mation and Institutio nal Develop ment	To ensure a client orientated municipality that is efficient and effective	Implementation of skills development plan with targeted skills development	No of personnel actually trained/ No of personnel identified for training (%)	All	70%	0%	0%	N / A
TL4 8	Municipal Transfor mation and Institutio nal Develop ment	To ensure a client orientated municipality that is efficient and effective	Creation of an effective institution with sustainable capacity	% Vacancy level as % of approved organogram	All	11%	22%	11 %	R

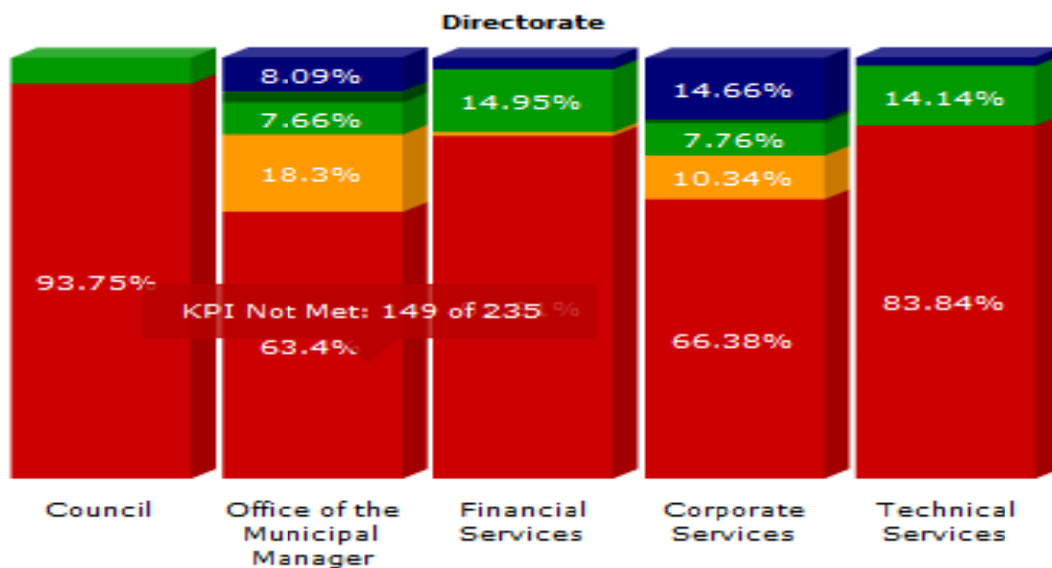
3.13. PERFORMANCE OF THE NATIONAL PERFORMANCE INDICATORS

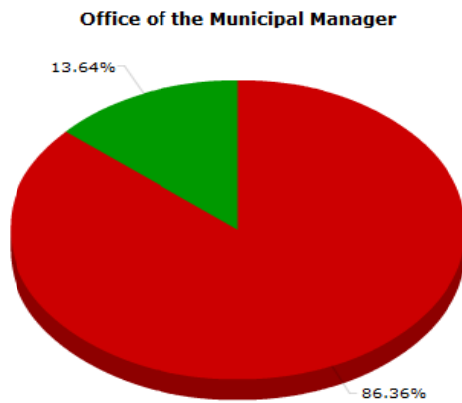
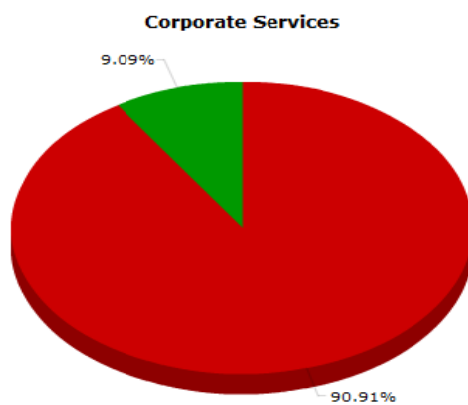
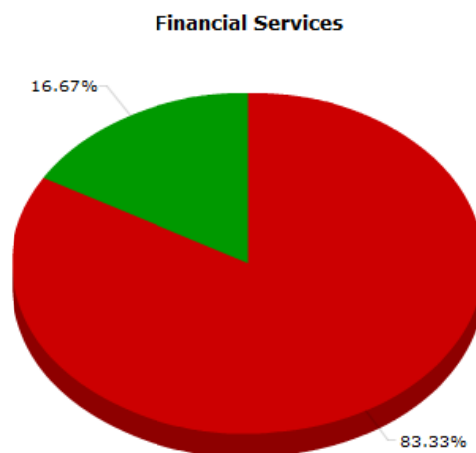
The following tables indicate the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 MSA. These key performance indicators are linked to the National Key Performance Areas.

3.13.1 FUNCTIONAL PERFORMANCE

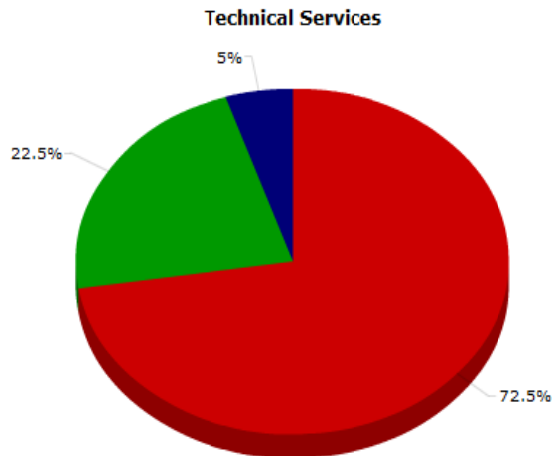
The Directorate scorecards (detail SDBIP) capture the performance of each defined directorate and its departments. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the detail SDBIP provide detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate.

3.13.2 OVERALL PERFORMANCE PER DIRECTORATE



3.13.2.1 MUNICIPAL MANAGER**3.13.2.2 CORPORATE SERVICES****3.13.2.3 FINANCIAL SERVICES**

3.13.2.4 ENGINEERING & PLANNING SERVICES



3.14. PERFORMANCE FOR THE PERIOD: JANUARY 2012 – JUNE 2012:

3.14.1 SERVICE DELIVERY PERFORMANCE ASSESSMENT

The report is based on the analysed and evaluated information through a process whereby information of the key performance area, objectives, key performance indicators, programmes /projects reflect the Integrated

Development Plan objectives of the Municipality for 2011/2012 financial year. Institutional and departmental performance of Cederberg Municipality is based on the Service Delivery Budget Implementation Plan (SDBIP) scorecard. The SDBIP of the municipality comprises of five Key Performance Areas which are derived from Local Government's Strategic Agenda and are aligned to our IDP cluster approach.

These are:

- Institutional Transformation and Organisational Development
- Basic Service Delivery and Infrastructure;
- Municipal Financial Viability and Management;
- Good Governance and Public Participation; and
- Local Economic Development;

A Service Delivery Budget Implementation Plan (SDBIP), and Departmental Service Delivery and Budget Implementation Plans for each of the departments of the municipality, in line with appropriate guidelines and legislation, must be developed annually. Section 57 Employees are required to sign a Performance Agreement, as prescribed in the Local Government:

Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to the Municipal Manager, in line with published regulations and/or amendments

Half 1 assessments through the Office of the Municipal Manager conducted during January 2011 and Half 2 evaluations were performed in July 2012. The Annual assessment is therefore based on the revised service delivery budget implementation plans for the period July 2011 to 30 June 2012.

The Cederberg Municipality conducted a strategic review of its organisational structure and business processes as part of addressing all the challenges relating to the new mandate the Municipality is expected to deliver on by the constituency.

3.15. IMPORTANT BACKGROUND TO THE PERFORMANCE REVIEW

Cederberg Municipality adopted the 2011/2012 IDP review on 28 April 2011 (The period under review). The then adopted review was for the 2011/2012 Financial Year implementation. It is important to note that when Cederberg Municipality Council made the adoption they had only one month remaining in the political office as the 2011 Local Government Elections took place in May of the same year.

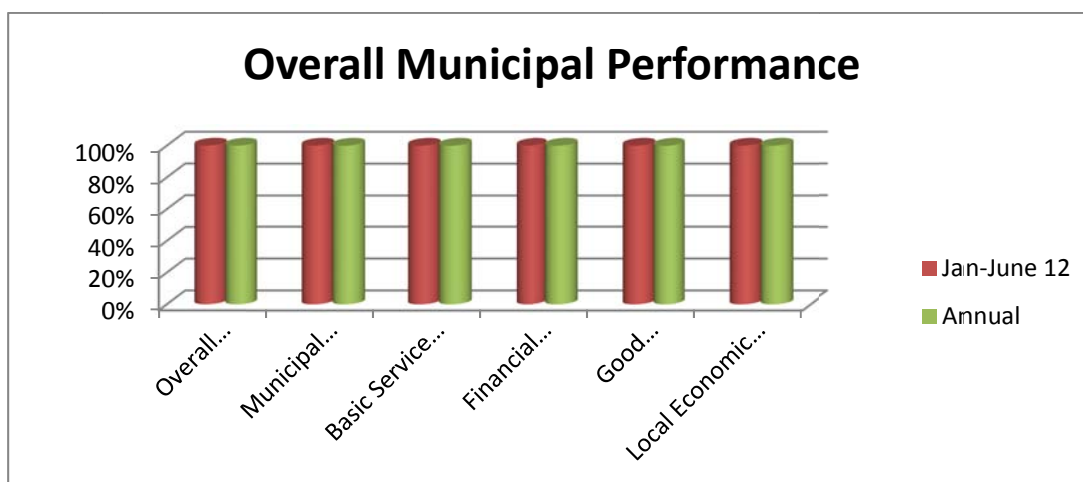
When the IDP review and Key Performance Areas (KPA's) for the 2011/2012 year were adopted and, the municipality had three directorates, Corporate & Community Services, Engineering & Planning Services, and Financial Services. The KPA's were therefore structured in a manner that spoke to the municipality's administration departments.

To ensure that the new mandate as was given to the Cederberg Municipality by the electorate is properly and effectively executed, the changes in the council were coupled with changes in the administrative leadership of Cederberg Municipality. Cederberg Municipality expanded the directorates from three to four, namely, Financial Services, Corporate and Strategic Services, Community Development Services, and, Engineering and Planning Services. These changes were all affected within the 2011/2012 financial year within which the adopted IDP review and KPA's fell.

3.16. INSTITUTIONAL SDBIP PERFORMANCE

The overall performance level achieved by the Municipality was 79% for the first half and 88% for the last half of the financial year leading to an annual performance of 84%. Although just below target, the Municipality is structured appropriately to achieve the targets as laid out in the IDP inclusive of the SDBIP. A table summarizing organisational performance SDBIP scorecard follows:

CEDERBERG MUNICIPALITY OVERALL PERFORMANCE			
KPA	KEY PERFORMANCE AREA		
	CEDERBERG MUNICIPALITY OVERALL PERFORMANCE	Jan-June 12	Annual
	Overall Performance	100%	100%
1	Municipal Transformation and Organizational Development	100%	100%
2	Basic Service Delivery and Infrastructure	100%	100%
3	Financial Viability and Management	100%	100%
4	Good Governance and Public Participation	100%	100%
5	Local Economic Development	100%	100%



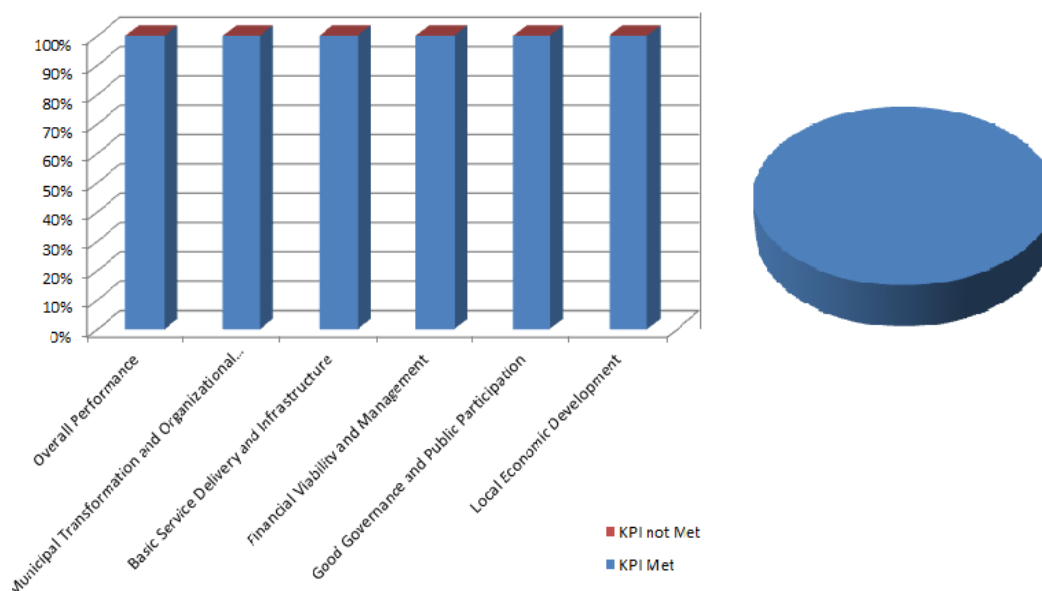
3.17. DEPARTMENTAL SDBIP PERFORMANCE

The following tables and graphs reflect a narrative of the annual service delivery performance assessment for the period July 2011 - June 2012 in line with the municipality's Service Delivery and Budget implementation Plan (SDBIP).

3.18.DIRECTOR: ENGINEERING & PLANNING SERVICES

DIRECTOR: ENGINEERING & PLANNING SERVICES			
KPA	KEY PERFORMANCE AREA		
	DIRECTOR: ENGINEERING & PLANNING SERVICES	Jan-June 12	Annual
	Overall Performance	100%	100%
1	Municipal Transformation and Organizational Development	100%	100%
2	Basic Service Delivery and Infrastructure	100%	100%
3	Financial Viability and Management	100%	100%
4	Good Governance and Public Participation	100%	100%
5	Local Economic Development	100%	100%

It is worth noting that the position of Director: Engineering & Planning Services was vacant and was subsequently filled in on 1 May 2012. The performance review is however inclusive of halves of the 2011/2012 financial year.

Director: Engineering & Planning

3.19. DIRECTOR: CORPORATE & STRATEGIC SERVICES

DIRECTOR: CORPORATE & STRATEGIC SERVICES			
KPA	KEY PERFORMANCE AREA		
	DIRECTOR: CORPORATE & STRATEGIC SERVICES	Jan-June 12	Annual
	Overall Performance	100%	100%
1	Municipal Transformation and Organizational Development	100%	100%
2	Basic Service Delivery and Infrastructure	100%	100%
3	Financial Viability and Management	100%	100%
4	Good Governance and Public Participation	100%	100%
5	Local Economic Development	100%	100%

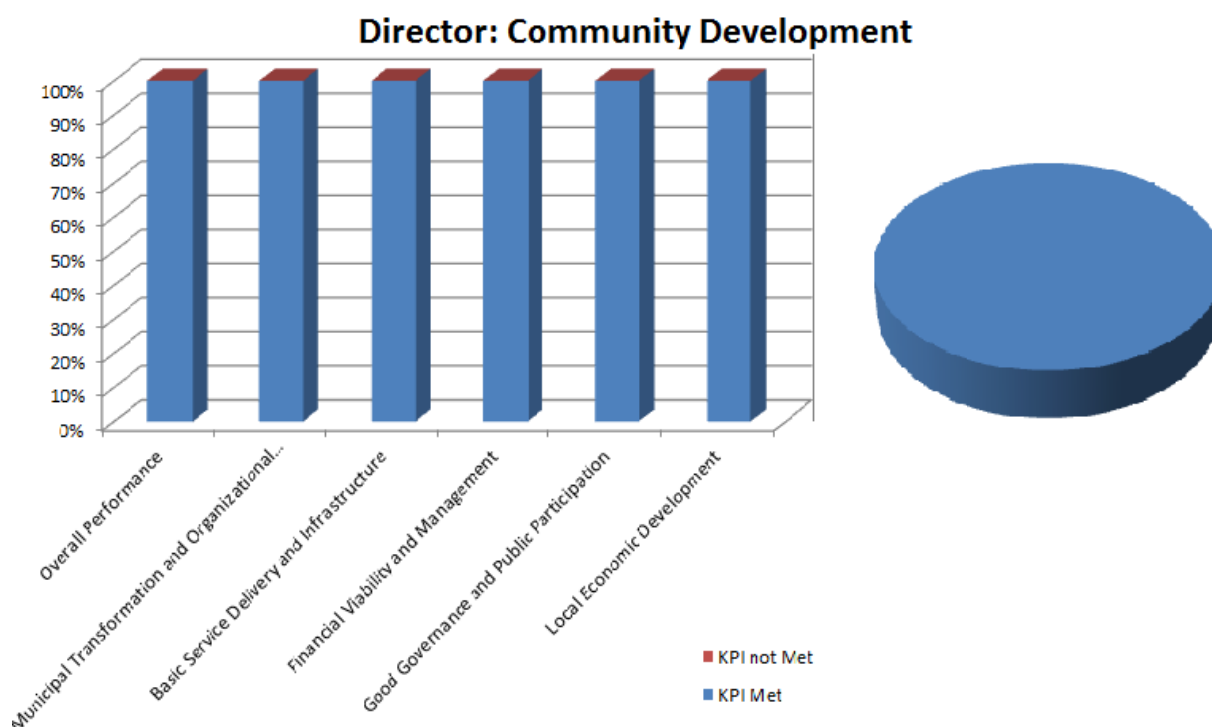
The position of Director: Corporate & Strategic Services was filled on 1 December 2011. The performance review period however includes the entire targets as were set out in the 2011/2012 SDBIP.



3.20. DIRECTOR: COMMUNITY DEVELOPMENT SERVICES

DIRECTOR: COMMUNITY DEVELOPMENT SERVICES			
KPA	KEY PERFORMANCE AREA		
	DIRECTOR: COMMUNITY DEVELOPMENT SERVICES	Jan-June 12	Annual
	Overall Performance	100%	100%
1	Municipal Transformation and Organizational Development	100%	100%
2	Basic Service Delivery and Infrastructure	100%	100%
3	Financial Viability and Management	100%	100%
4	Good Governance and Public Participation	100%	100%
5	Local Economic Development	100%	100%

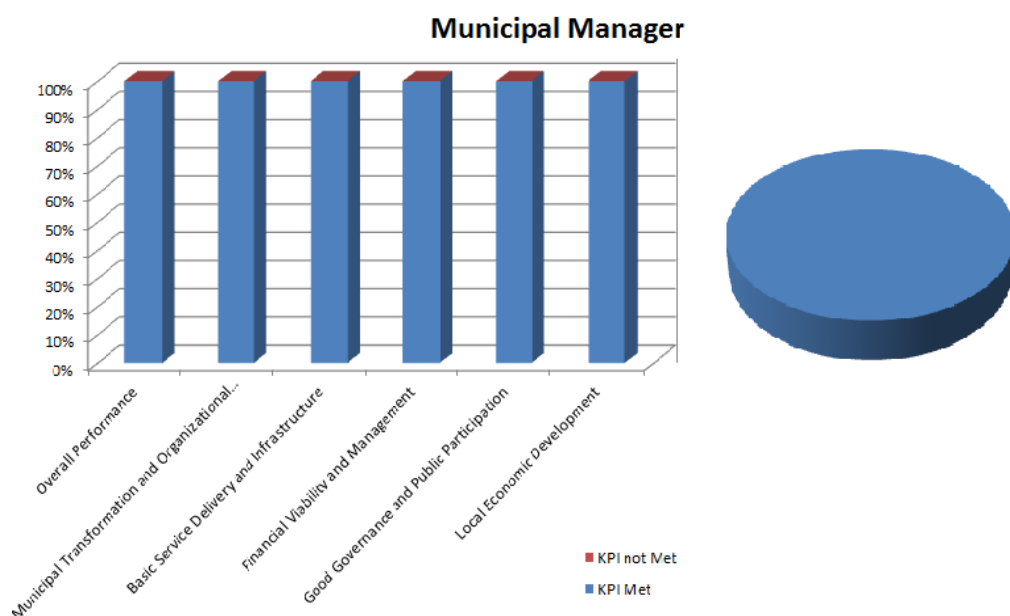
The Director: Community Development Services position was vacant for the most of the period under review. This position was only filled with effect from 1 March 2012.



3.21. MUNICIPAL MANAGER

MUNICIPAL MANAGER			
KPA	KEY PERFORMANCE AREA		
	MUNICIPAL MANAGER	Jan-June 12	Annual
	Overall Performance	100%	100%
1	Municipal Transformation and Organizational Development	100%	100%
2	Basic Service Delivery and Infrastructure	100%	100%
3	Financial Viability and Management	100%	100%
4	Good Governance and Public Participation	100%	100%
5	Local Economic Development	100%	100%

The Municipal Manager position was only filled with effect from 1 January 2012 as the previous Municipal Manager vacated office as of 30 September 2011.



3.22. NATIONAL KPA'S

This annual performance report has been prepared in terms of the following national Key Performance Areas:

3.22.1 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

The National Key Performance Area Municipal Transformation and Institutional Development are linked to the Municipal Key Performance Area namely Institutional Transformation and Development. The IDP Objective that is linked to Municipal Transformation and Institutional Development is: "To foster and strengthen strategic partnerships and social development."

3.22.2 BASIC SERVICE DELIVERY

The National Key Performance Area Basic Service Delivery is linked to the Municipal Key Performance Areas namely Municipal Infrastructure and Basic Services, Environmental Quality and Social Well-being. The IDP Objective that is linked to Basic Service Delivery is: "To create integrated, sustainable, linked and productive human settlements."

3.22.3 MUNICIPAL FINANCIAL VIABILITY MANAGEMENT

The National Key Performance Area Municipal Financial Viability and management are linked to the Municipal Key Performance Area namely Financial Viability. The IDP Objective that is linked to Municipal Financial Viability is: "To build our financial sustainability."

3.22.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The National Key Performance Area Good Governance and Public Participation are linked to the Municipal Key Performance Area namely Good Governance. The IDP Objective that is linked to Good Governance and Public Participation is: "To deepen and entrench good governance practices, including better communication and public involvement."

3.22.5 LOCAL ECONOMIC DEVELOPMENT

The National Key Performance Area Local Economic Development is linked to the Municipal Key Performance Area namely Economic Prosperity. The IDP Objective that is linked to Local Economic Development is: "To grow the local economy in order to increase opportunities for participation and equity."

3.22.6 CONCLUSION

The Cederberg Municipality reflected in this high level performance report significant strides towards realising its development objectives to both businesses and members of the local community. Having contributing immensely to the National Development Agenda, it must be born in mind that there are still major challenges en route to ensure that poverty is alleviated, infrastructure is put in place, sustainable job-creation targets are achieved, housing is delivered and basic services are extended to the most needing of our society.

This Annual Performance Management Report also demonstrated that development challenges can be collectively minimised as to ensure that intended outcomes are maximised within the ambit of the Municipality's available resources.

The Directorate: Corporate and Strategic Services would like to extend its gratitude to the Executive Mayor, the Executive Mayoral Committee, Executive Directors as well as each and every employee for their perseverance in ensuring that they contribute meaningfully to the purpose and purport of the Municipality's IDP and to those who made this report possible.

3.22. INTERIM KEYPERFORMANCE SCORECARD FOR THE PERIOD: JAN 2012 – JUNE 2012

3.23.1 MUNICIPAL MANAGER

Nat. KPA		KPI Name	KPI Measurement	Target Unit	Jan	Feb	Mar	Apr	May	June	Weighting	SCORE	FINAL SCORE
MUNICIPAL MANAGER					Target	Target	Target	Target	Target	Target			
National KPA	IDP Objective	Key Performance Indicator	Measure	Target Unit									
Basic Service Delivery	To provide and maintain municipal services in an	Establish and maintain Strategic Partnerships	Number of External Stakeholders	3			1			2	3	100%	3

	adequate and affordable manner												
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Appoint Section 57 Directors	Number of Directors Appointed	3			1		2		3	100%	3
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Ensure shift in the Municipal Strategic focus	Adoption of IDP & Budget	2					2		2	100%	2

Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Corporate governance framework review	Completion of the following documents: o Delegations o Rules of Order o Role & Responsibilities o Review of By-laws o Performance Audit charter o Audit charter o Audit Committee Charter	7						7	7	100%	7
Basic Service Delivery	To provide and maintain municipal services in an adequate and	Management of the Political interface	Meeting of All Committees	12		4		4		4	12	100%	12

	affordable manner												
Good Governance & Public Participation	To provide democratic and accountable governance	Compile 3rd Generation IDP	Approval by Council	1					1		1	100%	1
Good Governance & Public Participation	To provide democratic and accountable governance	Review of the Corporate Governance Frameworks	Approval by Council	8			5			3	8	100%	8
Good Governance & Public Participation	To provide democratic and accountable governance	Ensure proper IDP & Budget participation in all wards	Number of times all Wards are consulted	6						6	6	100%	6
Municipal Transformation & Organisational	To ensure a client oriented municipality	Review organisational Micro structure	Adoption of Organogram by Council	1						1	1	100%	1

Develop ment	pality that is efficie nt and effecti ve												
Municip al Transfo rmation & Organis ational Develop ment	To ensure a client orient ated munici pality that is efficie nt and effecti ve	Implem ent micro structur e	Make measur es to align Organis ation with Organo gram	1						1	1	10 0%	1
Municip al Transfo rmation & Organis ational Develop ment	To ensure a client orient ated munici pality that is efficie nt and effecti ve	Review the organis ation policy framew ork	Adoptio n of Corpora te Govern ance Framew ork by Council	1						1	1	10 0%	1
Municip al Transfo rmation & Organis ational Develop ment	To ensure a client orient ated munici pality that is efficie nt and effecti ve	Amend staff establis hment	Adoptio n ofOrgan ogram by Council	1						1	1	10 0%	1

	nt and effective												
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Implement staff establishment	Align the organisation to the approved Organogram	1						1	1	100%	1
Municipal Finance Viability & Management	To improve financial viability and sustainability	Align financial resources towards new organisational strategic focus	Completion of Adjusted Budget	1		1					1	100%	1
Municipal Finance Viability & Management	To improve financial viability and sustainability	Optimisation of grant fund spending	% Of Funds Spent	100%						100%	1	100%	1
Local Economic Development	To promote economic	Optimisation of Job creation	Number of Jobs Created	30						30	30	100%	30

ment	mic growt h throug h invest ment in people	initiativ es											
Local Econom ic Develop ment	To promo te econo mic growt h throug h invest ment in people	Initiate rural develop ment progra mmes	Number of Progra ms Initiate d	2						2	2	10 0%	2
Local Econom ic Develop ment	To promo te econo mic growt h throug h invest ment in people	Establis h Co- ops	Number of Co- Operati ves Establis hed	2			1		1	2		10 0%	2
Local Econom ic Develop ment	To promo te econo mic growt h	Concept ualise and facilitat e busines s plans	Number of Busines s Plans Develop ed	2	0	0	1	0	1	0	2	10 0%	2

	through investment in people	for rural enterprise development											
												TO TA L	85

3.23.2 DIRECTOR: FINANCIAL SERVICES

Nat. KPA		KPI Name	KPI Measurement	Target Unit	Jan	Feb	Mar	Apr	May	June	Weighting	SCORE	FINAL SCORE
DIRECTOR: FINANCIAL SERVICES					Target	Target	Target	Target	Target	Target			
National KPA	IDP Objective	Key Performance Indicator	Measure	Target Unit									
Basic Service Delivery	To provide and maintain municipal services in an adequate	Revise Budget Structure to centralised service model	Implementation of Structure	1						1	1	100%	1

	and afford able manne r												
Basic Service Delivery	To provid e and maint ain municipal servic es in an adequ ate and afford able manne r	Appoint qualifie d staff in key position s	Appoint ment of Key Qualifie d Staff	2						2	2	10 0%	2
Basic Service Delivery	To provid e and maint ain municipal servic es in an adequ ate and afford able manne r	Adoptio n of IDP & Budget by council	Adoptio n of IDP & Budget	2					2	0	2	10 0%	2
Basic Service	To provid e and	Align Adjust ment	Adoptio n of Draft	2						2	2	10 0%	2

Delivery	maintain municipal services in an adequate and affordable manner	Budget to new strategic growth path and priorities	and Final Budget by Council										
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Improve Debtors Payment ratio	Payment ratio Improvement	1						1	1	100%	1
Basic Service Delivery	To provide and maintain municipal services in an adequate	Implement the Property Valuation Roll	Roll Implementation	1						1	1	100%	1

	and afford able manne r												
Good Govern ance & Public Particip ation	To provid e democ ratic and accou ntable govern ance	Compile 3rd Generat ion IDP	Approva l by Council	1					1	0	1	10 0%	1
Good Govern ance & Public Particip ation	To provid e democ ratic and accou ntable govern ance	Review of the Corpora te Govern ance Framew orks	Approva l by Council	8						8	8	10 0%	8
Good Govern ance & Public Particip ation	To provid e democ ratic and accou ntable govern ance	Ensure proper IDP & Budget particip ation in all wards	Number of times all Wards are consulte d	6					6	0	6	10 0%	6
Municip al Transfo rmation & Organis	To ensure a client orient ated	Review organis ational Micro structur e	Adoptio n of Organo gram by Council	1					1	0	1	10 0%	1

ational Develo pment	municipi pality that is efficie nt and effecti ve												
Municip al Transfo rmation & Organis ational Develo pment	To ensure a client orient ated municip ality that is efficie nt and effecti ve	Implem ent micro structur e	Make measur es to align Organis ation with Organo gram	1						1	1	10 0%	1
Municip al Transfo rmation & Organis ational Develo pment	To ensure a client orient ated municip ality that is efficie nt and effecti ve	Review the organis ation policy framew ork	Adoptio n of Corpora te Governa nce Framew ork by Council	1					1	0	1	10 0%	1
Municip al Transfo rmation & Organis ational Develo	To ensure a client orient ated municip ality that is	Amend staff establis hment	Adoptio n of Organ ogram by Council	1					1	0	1	10 0%	1

Department	Efficient and effective												
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Implement staff establishment	Align the organisation to the approved Organogram	1					1	0	1	100%	1
Municipal Finance Viability & Management	To improve financial viability and sustainability	Align financial resources towards new organisational strategic focus	Completion of Adjustment Budget	1						1	1	100%	1
Municipal Finance Viability & Management	To improve financial viability and sustainability	Optimisation of grant fund spending	% Of Funds Spent	100%						100%	1	100%	1
Local Economic	To promote	Optimisation of Job	Number of Jobs Created	30						30	30	100%	30

Develo pment	econo mic growt h throug h invest ment in people	creatio n initiativ es											
Local Econom ic Develo pment	To promo te econo mic growt h throug h invest ment in people	Initiate rural develop ment progra mmes	Number of Progra ms Initiated	2						2	2	10 0%	2
Local Econom ic Develo pment	To promo te econo mic growt h throug h invest ment in people	Establis h Co- ops	Number of Co- Operati ves Establis hed	2						2	2	10 0%	2
Local Econom ic Develo pment	To promo te econo mic growt h	Concep tualise and facilitat e busines	Number of Busines s Plans Develop	2						2	2	10 0%	2

	h throug h invest ment in people	s plans for rural enterpri se develop ment	ed										
TARGET				67							TO TA L	67	

3.23.3 DIRECTOR: CORPORATE & STRATEGIC SERVICES

Nat. KPA		KPI Name	KPI Meas urement	Ta rg et U nit	Jan	Feb	Mar	Apr	Ma y	Jun e	Weig hting	SCO RE	FI N AL SC O RE
DIRECTOR: CORPORATE & STRATEGIC SERVICES					Ta rg et	Tar get	Tar get	Tar get	Tar get	Tar get			
Natio nal KPA	IDP Obje ctive	Key Perfor mance Indicat or	Meas ure	Ta rg et U nit									
Basic Servic e Delive ry	To provi de and main tain muni cipal	Finalis e/revi ew staff establi shmen t	Adopt ion of Organ ogra m by Counc il	1						1	1	100 %	1

	servi ces in an adeq uate and affor dable man ner												
Basic Servic e Delive ry	To provi de and main tain muni cipal servi ces in an adeq uate and affor dable man ner	Revie w Corpor ate Gover nance frame works	Adopt ion of Fram ework s by Counc il	8			3		5		8	100 %	8
Basic Servic e Delive ry	To provi de and main tain muni cipal servi ces in an adeq uate and affor	Facilit ate Appoi ntmen ts of Senior Manag ers	Initiat e Recru itmen t proce ss for Senio r Mang ers	3						3	3	100 %	3

	dable man ner												
Basic Service Delivery	To provi de and main tain muni cipal servi ces in an adeq uate and affor dable man ner	3rd Gener ation IDP Compi lation	Adopt ion of IDP & Budg et by Counc il	2						2	2	100 %	2
Basic Service Delivery	To provi de and main tain muni cipal servi ces in an adeq uate and affor dable man ner	Ensure Funci onal Admin istrati on	Meeti ng of All Com mitte es	12		4		4		4	12	100 %	12
Good Gover nance	To provi de	Compi le 3rd Gener	Appro val by Counc	1					1		1	100 %	1

& Public Participation	democratic and accountable governance	ation IDP	il										
Good Governance & Public Participation	To provide democratic and accountable governance	Review of the Corporate Governance Frameworks	Approval by Council	8			5			3	8	100 %	8
Good Governance & Public Participation	To provide democratic and accountable governance	Ensure proper IDP & Budget participation in all wards	Number of times all Wards are consulted	6			6				6	100 %	6
Municipal Transformation & Organ	To ensure a client oriented	Review organisational Micro	Adoption of Organogram by Council	1						1	1	100 %	1

isatio nal Devel opme nt	muni cipali ty that is effici ent and effec tive	struct ure	il										
Munic ipal Transf ormat ion & Organ isatio nal Devel opme nt	To ensur e a client orien tated muni cipali ty that is effici ent and effec tive	Imple ment micro struct ure	Make meas ures to align Organ isatio n with Organ ogra m	1						1	1	100 %	1
Munic ipal Transf ormat ion & Organ isatio nal Devel opme nt	To ensur e a client orien tated muni cipali ty that is effici ent and effec tive	Revie w the organi sation policy frame work	Adopt ion of Corpo rate Gover nance Fram ework by Counc il	1						1	1	100 %	1

Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Amend staff establishment	Adoption of Organogram by Council	1						1	1	100 %	1
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Implement staff establishment	Align the organisation to the approved Organogram	1						1	1	100 %	1
Municipal Finance Viability & Management	To improve financial viability and sustainability	Align financial resources towards new organisational	Completion of Adjustment Budget	1		1					1	100 %	1

	ity	strate gic focus											
Municipal Finance Viability & Management	To improve financial viability and sustainability	Optimisation of grant fund spending	% Of Funds Spent	100%						100%	1	100%	1
Local Economic Development	To promote economic growth through investment in people	Optimisation of Job creation initiatives	Number of Jobs Created	30						30	30	100%	30
Local Economic Development	To promote economic growth through investment in people	Initiate rural development programmes	Number of Programs Initiated	2							0	0%	2

	le												
Local Economic Development	To promote economic growth through investment in people	Establish Co-ops	Number of Co-Operatives Established	2				1		1	2	100 %	2
Local Economic Development	To promote economic growth through investment in people	Conceptualise and facilitate business plans for rural enterprise development	Number of Business Plans Developed	2	0	0	1	0	1	0	2	100 %	2
				84									84

3.23.4 DIRECTOR: ENGINEERING & PLANNING SERVICES

Nat. KPA		KPI Name	KPI Measurement	Target Unit	Jan	Feb	Ma
DIRECTOR: ENGINEERING & PLANNING SERVICES					Target	Target	Target
National KPA	IDP Objective	Key Performance Indicator	Measure	Target Unit			
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Implement bulk infrastructure Projects (Desalination Plant)	Number of Instrustructure projects implemented	3			1
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	100% MIG spending	Number of Directors Appointed	100%			
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Re-organisation of functional Basic Services delivery model	Adoption of IDP & Budget	2			
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable	Re-design Senior Management Structure for Engineering and Planning	Number of Senior Manager positions restructured	4			

	manner	Services				
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Establish and maintain strategic services delivery partnerships with key National Departments	Number of Strategic Partners Approached	3		
Good Governance & Public Participation	To provide democratic and accountable governance	Compile 3rd Generation IDP	Approval by Council	1		
Good Governance & Public Participation	To provide democratic and accountable governance	Review of the Corporate Governance Frameworks	Approval by Council	8		5
Good Governance & Public Participation	To provide democratic and accountable governance	Ensure proper IDP & Budget participation in all wards	Number of times all Wards are consulted	6		
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Review organisational Micro structure	Adoption of Organogram by Council	1		
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Implement micro structure	Make measures to align Organisation with Organogram	1		

Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Review the organisation policy framework	Adoption of Corporate Governance Framework by Council	1			
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Amend staff establishment	Adoption of Organogram by Council	1			
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Implement staff establishment	Align the organisation to the approved Organogram	1			
Municipal Finance Viability & Management	To improve financial viability and sustainability	Align financial resources towards new organisational strategic focus	Completion of Adjustment Budget	1	1		
Municipal Finance Viability & Management	To improve financial viability and sustainability	Optimisation of grant fund spending	% Of Funds Spent	100%			
Local Economic Development	To promote economic growth through investment in people	Optimisation of Job creation initiatives	Number of Jobs Created	30			
Local Economic Development	To promote economic growth through	Initiate rural development programmes	Number of Programs Initiated	2			

	investment in people						
Local Economic Development	To promote economic growth through investment in people	Establish Co-ops	Number of Co-Operatives Established	2			
Local Economic Development	To promote economic growth through investment in people	Conceptualise and facilitate business plans for rural enterprise development	Number of Business Plans Developed	2	0	0	1
				71			

3.23.5. DIRECTOR: COMMUNITY DEVELOPMENT SERVICES

Nat. KPA		KPI Name				KPI Measurement	Target Unit	Jan	Feb	Mar	Apr	M
DIRECTOR: COMMUNITY DEVELOPMENT SERVICES	Target	Target	Target	Target	Target	Target						
National KPA		IDP Objective	Key Performance Indicator			Measure	Target Unit					
Basic Service Delivery		To provide and maintain municipal services in an adequate and affordable	Re-organise/align staff i.t.o new structure			Implementation of new structure	1					

	manner								
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Implement Comprehensive Rural Development Programme	Rural Development Plan Development	1					
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Establish Strategic Partnerships with key national departments	Number of new relationships established	1					
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Improve library functions	Implementation of new library system	1					
Basic Service Delivery	To provide and maintain municipal services in an adequate and affordable manner	Ensure transition from Decentralised model	Implementation of new model	1					
Good Governance & Public Participation	To provide democratic and accountable governance	Compile 3rd Generation IDP	Approval by Council	1					1
Good Governance &	To provide democratic	Review of the Corporate	Approval by	8			5		

Public Participation	and accountable governance	Governance Frameworks	Council						
Good Governance & Public Participation	To provide democratic and accountable governance	Ensure proper IDP & Budget participation in all wards	Number of times all Wards are consulted	6					
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Review organisational Micro structure	Adoption of Organogram by Council	1					
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Implement micro structure	Make measures to align Organisation with Organogram	1					
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Review the organisation policy framework	Adoption of Corporate Governance Framework by Council	1					
Municipal Transformation & Organisational Development	To ensure a client orientated municipality that is efficient and effective	Amend staff establishment	Adoption of Organogram by Council	1					
Municipal Transformation & Organisational	To ensure a client orientated municipality	Implement staff establishment	Align the organisation to the approved	1					

Development	that is efficient and effective		Organogram						
Municipal Finance Viability & Management	To improve financial viability and sustainability	Align financial resources towards new organisational strategic focus	Completion of Adjustment Budget	1		1			
Municipal Finance Viability & Management	To improve financial viability and sustainability	Optimisation of grant fund spending	% Of Funds Spent	100%					
Local Economic Development	To promote economic growth through investment in people	Optimisation of Job creation initiatives	Number of Jobs Created	30					
Local Economic Development	To promote economic growth through investment in people	Initiate rural development programmes	Number of Programs Initiated	2					
Local Economic Development	To promote economic growth through investment in people	Establish Co-ops	Number of Co-Operatives Established	2				1	
Local Economic Development	To promote economic growth through investment in people	Conceptualise and facilitate business plans for rural enterprise development	Number of Business Plans Developed	2	0	0	1	0	1

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CHAPTER 4 – SERVICE DELIVERY PERFORMANCE

4.1 HR ANNUAL REPORT: WORKFORCE PROFILE

Human Resources are probably the most important asset of any organisation, and without it, no organisation can function. The procurement, development and utilisation of human resources are governed by Legislation. Some of those pieces of legislation are the employment Equity Act and the Skills Development Act. The table below illustrates the composition of the Municipal workforce in the format required by the aforementioned legislation.

TOTAL NUMBER OF EMPLOYEES IN THE ORGANISATION [PER JOB CATEGORY]														
Workforce profile	AFRICAN		COLOURED		INDIAN		WHITE		TOTALS			PWD		
	M	F	M	F	M	F	M	F	M	F	TOTAL	M	M	TOTAL
Soc 100 Legislators	0	1	8	1	0	0	0	1	8	3	11	0	0	0
Soc 100 Directors and Corporate Managers	2	1	9	0	0	0	5	0	16	1	17	0	0	0
Soc 200 Professionals	2	1	9	10	0	0	5	2	16	13	29	0	0	0
Soc 300 Technicians & Trade workers	2	0	23	1	0	0	5	0	30	1	31	2	0	2
Soc 400 Community and Personal Service workers	0	0	2	0	0	0	0	0	2	0	2	0	0	0
Soc 500 Clerical and Administrative Workers	0	0	11	36	1	0	3	5	15	41	56	0	2	2
Soc 700 Machine operators and drivers	3	0	23	0	0	0	0	0	26	0	26	0	0	0
Soc 800 Labourers	18	10	87	29	0	0	0	0	105	39	144	17	4	21
	27	13	172	77	1	0	18	8	218	98	316	19	6	25

The table below indicates the number of beneficiaries per occupational category who underwent training in the financial year. The total Training budget for 2011/2012 financial year was R.... the amount of money spent on training for the same financial year was R 305 485.00. The tables below shows the number of individuals (headcount) trained and not the number of training interventions.

TOTAL NUMBER OF EMPLOYEES WHO RECEIVED TRAINING IN THE ORGANISATION [PER JOB CATEGORY]														
Workforce profile	AFRICAN		COLOURED		INDIAN		WHITE		TOTALS			PWD		
	M	F	M	F	M	F	M	F	M	F	TOTAL	M	M	TOTAL
Soc 100 Legislators	0	0	4	1	0	0	1	1	5	2	7	0	0	0
Soc 100 Directors and Corporate Managers	1	1	2	0	0	0	0	0	3	1	4	0	0	0
Soc 200 Professionals	1	0	6	4	0	0	1	0	8	4	12	0	0	0
Soc 300 Technicians & Trade wokers	2	0	16	1	0	0	2	0	20	1	21	1	0	1
Soc 400 Community and Personal Service workers	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Soc 500 Clerical and Administrative Workers	0	0	3	16	0	0	1	1	4	17	21	0	1	1
Soc 700 Machine operators and drivers	2	0	13	0	0	0	0	0	15	0	15	0	0	0
Soc 800 Labourers	2	2	26	7	0	0	0	0	28	9	37	10	0	10
	8	3	70	29	0	0	5	2	83	34	117	11	1	12

The table above reflects the number of disabled employees who received training. A challenge the Cederberg Municipality is faced with, is the employment of people with disabilities. It must be mentioned that some persons with disabilities choose not to indicate their status as disabled, although they do match the criteria. They believe that they will be disadvantaged if they do, even after being assured their beliefs are wrong. This negative stigma will have to be addressed further. Progress has however been made to inform employees regarding employment equity and disability. The Municipality is in the process of adopting a new employment Equity Plan for the next five (5) year cycle. This plan has already been tabled at the Local labour Forum for consultation.

Statutory Training Courses: The municipality is busy with statutory training courses for the financial department such as the Local Government Accounting Certificate (LGAC) and the Local Government Advanced Accounting Certificate (LGAAC). Four (4) of the twelve (12) employees of whom three (3) were interns, who underwent the MFMP and CPMD courses, are still in the employment of the municipality, hence the council has approved twenty (20) employees from senior and middle management level to do the MFMP course at the Cederberg Municipality. The course that started in October 2012 is well on its way and will be rolled out to the next level of employees in 2014.

4.2 INDUSTRIAL RELATIONS:

It is imperative that good industrial relations are fostered between the employer and employees. Employees are engaged on certain structures created by the Local Government Bargaining Council to address issues of mutual interest to the employer and the employees. These structures are

1. Health and Safety Committees
2. Local labour Forum

4.3 HEALTH & SAFETY

OCCUPATIONAL HEALTH & SAFETY 2011/2012				
OHS				PROGRESS REPORTS
INJURIES	COIID APPLICATIONS	DISABLING INJURIES	SCHEDULE 8 INVESTIGATIONS (Ill Health)	HEALTH AND SAFETY POLICY AND THE SAFETY PLAN WAS ACCEPT AT THE LLF
9	5	1	3	THE SAFETY ACTION PLAN FOR PREPARATION TOWARDS COMPLIANCE HAS BEEN ACCEPTED.
				CEDERBERG WILL ENGAGE IN ELECTIONS FOR NEW SAFETY REPRESENTATIVES. THIS WILL BE DONE IN TERMS OF THE SAFETY ACT AND THE GENERAL ADMINISTRATIVE REGULATION (6 AND 7) AS AGREED UPON

The Cederberg Municipality Safety Structures are functioning and are in the process of being realigned with the new service delivery model. Safety Representative Elections are underway. Training for first aiders and Safety representatives has been conducted, but after the elections, training will have to be conducted again.

The safety and health of our employees and their families are of the utmost importance to the council. Therefore the council bought new washing machines for sections where employees get in contact with sewerage and other potentially threatening substances. This will also minimise the risk of employees potentially infecting their families.

The Health and Safety Policy is in process of being reviewed along with the Health and Safety Plan.

The number of injuries on duty has steadily decreased over time and only 9 injuries were reported of which 5 injuries went through the Compensation for Occupational Injuries and Diseases (COID) process whereby injuries were reported to the Compensation Commissioner.

Employee Wellness:

The focus on employee wellness went to another level with a substantial amount of the budget being allocated to an employee wellness programme, thus helping employees with alcohol and drug dependencies as well as injured and sick employees. A couple of employees benefitted from this employee wellness programme. See table below:

Type	Alcohol / Drug dependency	Ill Health	Injury on duty
Number of beneficiaries	1	4	3

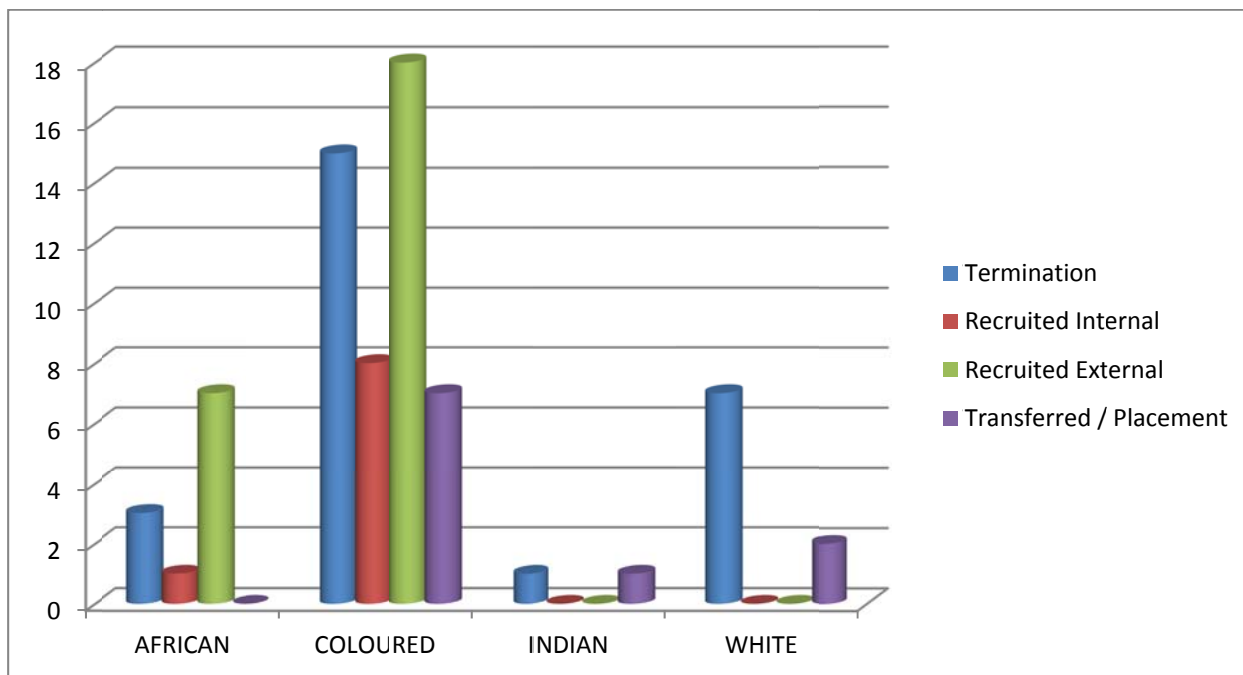
4.4 EMPLOYEE MOVEMENT

Below follows an illustration of employee movement within the organisation. It indicates the number of terminations, recruitment, and transfers / placements within the organisation.

EMPLOYEE MOVEMENT					TOTAL
Movement Type	AFRICAN	COLOURED	INDIAN	WHITE	
Termination	3	15	1	7	26
Recruited Internal	1	8	0	0	9

Recruited External	7	18	0	0	25
Transferred / Placement	0	7	1	2	10
TOTAL	11	48	2	9	70

Below follows a graphic illustration of the above table:



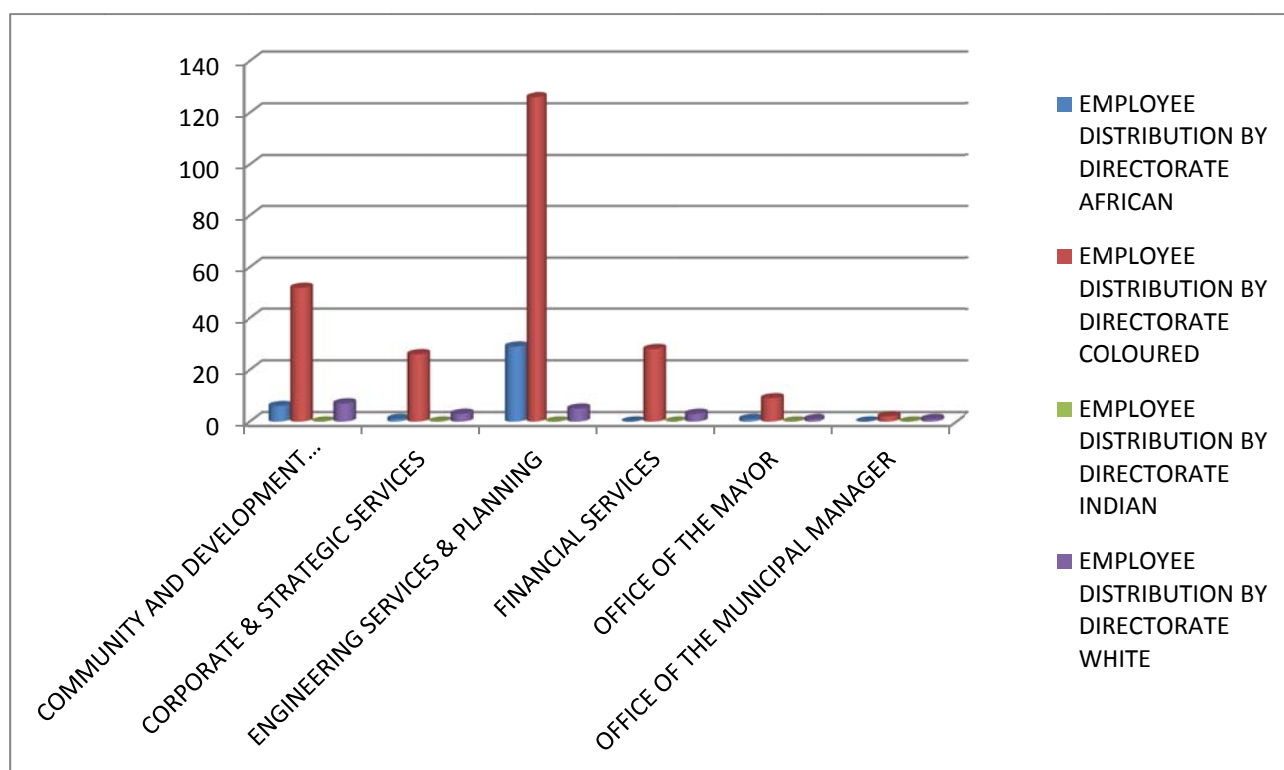
4.5 COMPOSITION OF DIRECTORATES / DEPARTMENTS:

The Table below shows the number of employees per department as well as the profile by race. The Engineering services department, being the service delivery arm of the municipality, is the largest component

EMPLOYEE DISTRIBUTION BY DIRECTORATE					TOTAL
DIRECTORATE	AFRICAN	COLOURED	INDIAN	WHITE	
COMMUNITY AND DEVELOPMENT SERVICES	6	52	0	7	65
CORPORATE &	1	26	0	3	30

STRATEGIC SERVICES					
ENGINEERING SERVICES & PLANNING	29	126	0	5	160
FINANCIAL SERVICES	0	28	0	3	31
OFFICE OF THE MAYOR	1	9	0	1	11
OFFICE OF THE MUNICIPAL MANAGER	0	2	0	1	3
TOTAL	37	243	0	20	300

Below follows a graphic illustration (bar chart) of the above table:



Employees: Electricity Services

Job Level	Year -1	Year 0
-----------	---------	--------

	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	5	5	5	0	0%
7 - 9	3	6	3	3	50%
10 - 12	3	3	3	0	0%
13 - 15	1	3	1	1	33%
16 - 18	0	0	0	0	0%
Section 57	1	1	1	0	0%
Total	13	18	13	4	22%

Employees: Solid Waste Magement Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%
4 - 6	3	3	3	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%

16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	3	3	3	0	0%

Employees: Waste Disposal and Other Services

Job Level	Year -1	Year 0			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	65	65	65	0	0%
4 - 6	4	4	4	0	0%
7 - 9	8	8	8	0	0%
10 - 12	5	5	2	3	60%
13 - 15	0	1	0	1	100%
16 - 18					%
19 - 20					%
Total	82	83	79	4	5%

Employees: Housing Services

Job Level	2010/2011	2011/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0%

4 - 6	0	0	0	0	0%
7 - 9	0	0	0	0	0%
10 - 12	3	3	2	1	33%
13 - 15	1	3	3	0	0%
16 - 18	0	0	0	0	0%
Section 57	1	1	1	0	0%
Total	5	7	6	1	14%

Employees: Water Services					
Job Level	2011/2012	2012/2013			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	11	14	13	1	7%
4 - 6	4	4	4	0	0%
7 - 9	5	5	5	0	0%
10 - 12	1	1	1	0	0%
13 - 15	1	1	1	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	22	25	24	1	4%

Employees: Sanitation Services

Job Level	2010/2011	2011/2012			
	Employees	Posts	Employees	Vacancies (fulltime equivalents)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	5	6	5	1	17%
4 - 6	4	4	4	0	0%
7 - 9	0	0	0	0	0%
10 - 12	0	0	0	0	0%
13 - 15	0	0	0	0	0%
16 - 18	0	0	0	0	0%
19 - 20	0	0	0	0	0%
Total	9	10	9	1	10%

CHAPTER 5 – FINANCIAL PERFORMANCE

5.1 INTRODUCTION

This chapter provides a detailed financial performance of Cederberg Municipality, for the 2011/2012 financial year. This report focuses, on both, qualitative and quantitative reflection of the period under review and a clarification of both, challenges and achievements, as well as the environment within which we operated.

The preceding financial year, 2010/2011, ended on a high note with Cederberg Municipality receiving an unqualified audit from the Auditor-general for the first time in the existence of the Municipality since the consolidation of the various towns to form one Cederberg Municipality.

The financial period under review was characterised by the departure of senior managers within the Financial Services Directorate. The former Chief Financial Officer, Mr F. Lotter, left during the year and this was followed by the resignation of the Manager: Budget, and the suspension of the Manager at the Treasury office.

Due to the key and strategic role the Financial Services directorate plays in the institution and to ensure the smooth operation of the Municipality, the council appointed senior management at acting capacities.

The positions of Manager: Budget was filled in April 2012, with my appointment as the Chief Financial Officer finalised with effect from 1 May 2012. The CFO position was therefore only permanently filled for 2 months of the financial period under review.

5.2 GRAP COMPLIANCE

The 2011/2012 Annual Financial Statements included in this annual report and on which this chapter refer to, have been compiled in all aspects in line with GRAP.

Although the previous financial year, 2010/2011, was highlighted by the achievement of an unqualified audit, we had used all options that were granted by the national treasury for exemption and we were exempted from compliance with GRAP 17 (Property, Plant, and Equipment) which deals with the full unbundling of assets.

The financial year under review is the first where all compliance with GRAP have been fully adhered to.

5.3 STATEMENT OF FINANCIAL PERFORMANCE

Component A: Statement of Financial Performance

The statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

Revenue by Source

The following graph indicates the various types of revenue items in the municipal budget for 2011/12.

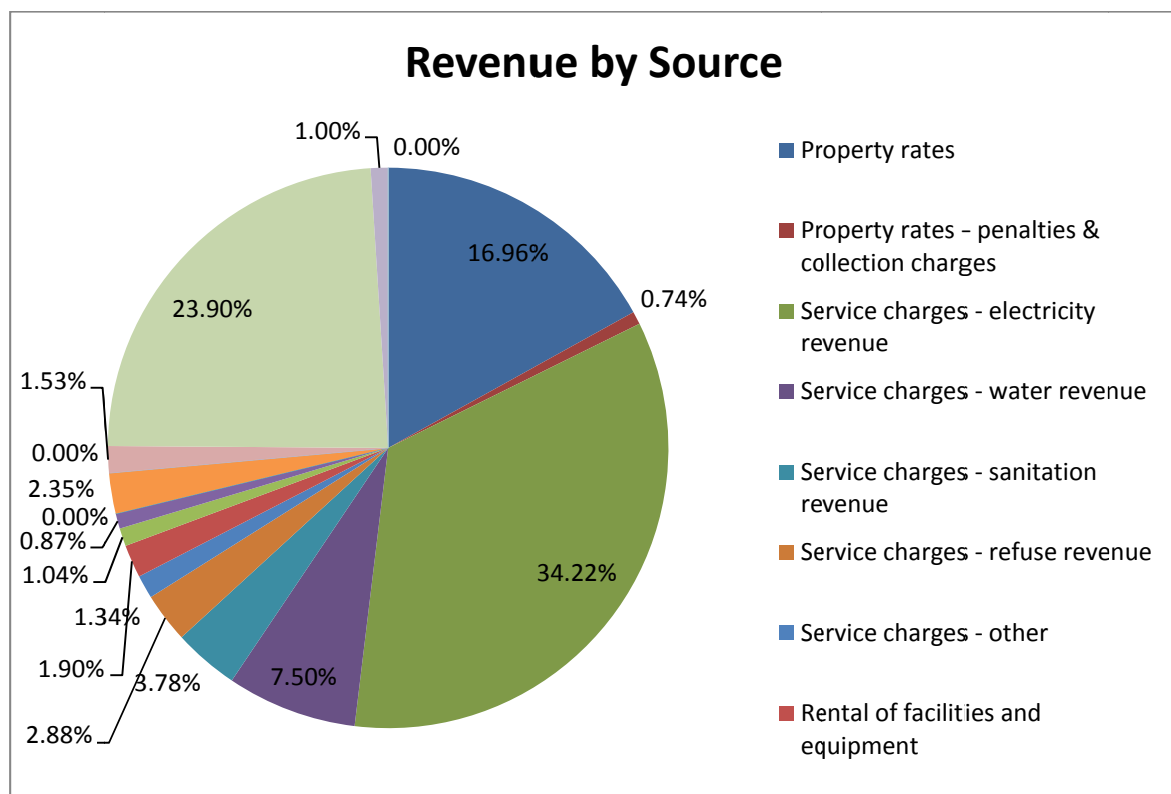


Figure 5.1: Revenue by Source

Expenditure by Source:

The following graph indicates the various types of expenditure items in the municipal budget for 2011/12

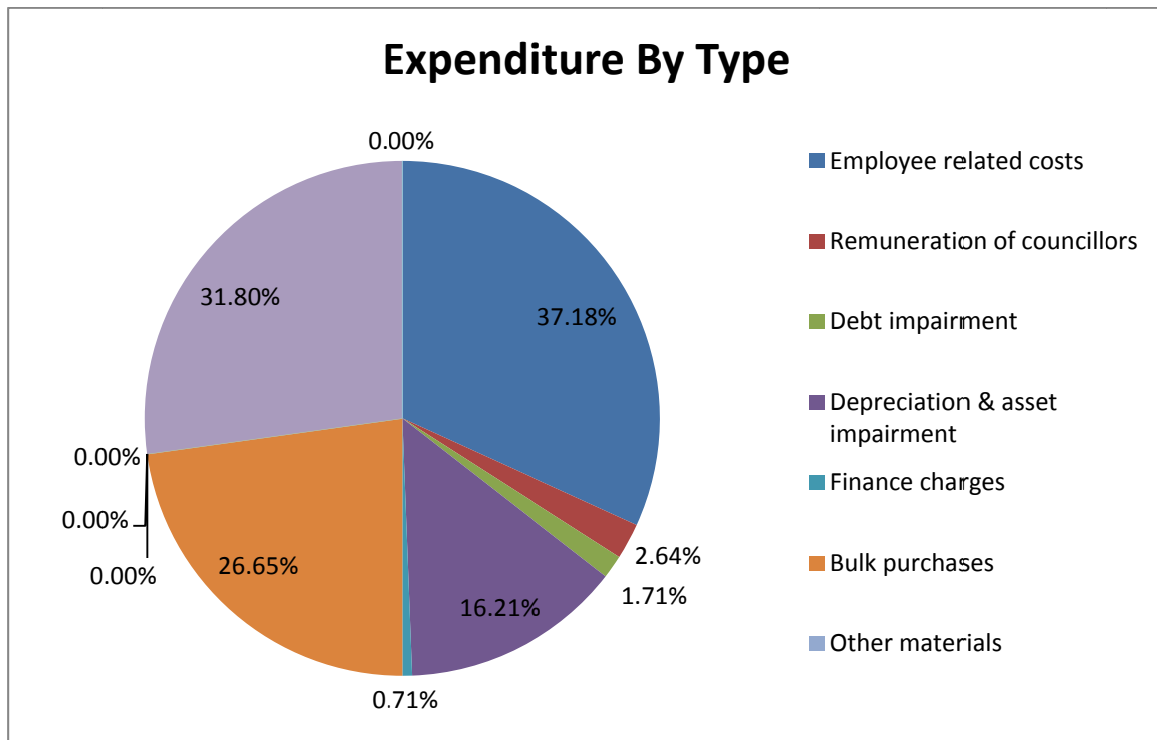


Figure 5.2: Expenditure by Source

Revenue Collection by Vote

The table below indicates the Revenue collection performance by Vote:

FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
10 - COUNCIL	R 1 037 859.96	R 780 000.00	R 903 826.00	R 900 820.34	15.49%	-0.33%
20 - MUNICIPAL MANAGER	R 2 392 739.52	R 2 183 301.00	R 4 757 920.00	R 4 094 703.10	87.55%	-13.94%
30 - FINANCIAL SERVICES	R 35 138 109.24	R 36 763 795.00	R 37 382 661.00	R 36 969 981.29	0.56%	-1.10%
40 - CORPORATE SERVICES - COMMUNITY	R 37 051 261.29	R 19 100 704.00	R 19 023 224.00	R 17 496 651.25	-8.40%	-8.02%
40 - CORPORATE SERVICES - ADMIN & OTHER	R 7 819 508.09	R 8 259 957.00	R 8 311 941.00	R 8 045 220.27	-2.60%	-3.21%
50 - ENGINEERING SERVICES	R 85 532 203.88	R 129 228 199.00	R 118 475 172.00	R 107 408 696.15	-16.88%	-9.34%
60 - COMMUNITY SERVICES	R -	R -	R -	R 1 255 000.00		
Total Revenue (excluding capital transfers and contributions)	R 168 971 681.98	R 196 315 956.00	R 188 854 744.00	R 176 171 072.40	-10.26%	-6.72%

Figure 5.3: Revenue by Vote

Revenue collection by Source:

The following table depicts the revenue collection by revenue source.

FINANCIAL SUMMARY - Revenue by Source						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Property rates	R 22 292 891.44	R 24 934 944.00	R 24 984 944.00	R 24 032 173.30	-3.62%	-3.81%
collection charges	R 871 550.58	R 600 000.00	R 750 000.00	R 1 052 445.12	75.41%	40.33%
Service charges - electricity revenue	R 42 151 361.06	R 49 704 302.00	R 49 523 952.00	R 48 498 652.25	-2.43%	-2.07%
Service charges - water revenue	R 8 888 752.02	R 10 119 366.00	R 9 807 362.00	R 10 635 934.80	5.10%	8.45%
revenue	R 4 876 783.44	R 4 862 594.00	R 4 886 002.00	R 5 350 853.78	10.04%	9.51%
Service charges - refuse revenue	R 3 441 857.12	R 3 745 516.00	R 3 583 501.00	R 4 075 988.63	8.82%	13.74%
Service charges - other	R -	R 3 025 520.00	R 3 923 760.00	R 1 902 979.52	-37.10%	-51.50%
Rental of facilities and equipment	R 3 038 278.99	R 2 920 335.00	R 3 014 863.00	R 2 696 683.20	-7.66%	-10.55%
investments	R 2 289 590.10	R 825 000.00	R 1 243 866.00	R 1 474 128.14	78.68%	18.51%
debtors	R 1 124 166.87	R 1 320 000.00	R 1 320 000.00	R 1 229 426.56	-6.86%	-6.86%
Dividends received	R -	R -	R -	R -	#DIV/0!	#DIV/0!
Fines	R 4 307 835.00	R 3 732 726.00	R 4 132 726.00	R 3 327 263.28	-10.86%	-19.49%
Licences and permits	R -	R -	R -	R -	#DIV/0!	#DIV/0!
Agency services	R 1 699 934.91	R 1 926 397.00	R 1 776 397.00	R 2 175 486.39	12.93%	22.47%
Transfers recognised - operational	R 42 106 603.00	R 26 640 984.00	R 33 471 689.00	R 33 868 633.01	27.13%	1.19%
Other revenue	R 1 431 772.95	R 16 293 272.00	R 1 189 132.00	R 1 416 423.97	-91.31%	19.11%
Gains on disposal of PPE	R -	R -	R -	R -		
Total Revenue (excluding capital transfers and contributions)	R 138 521 377.48	R 150 650 956.00	R 143 608 194.00	R 141 737 071.95	-5.92%	-1.30%

Figure 5.4: Revenue by Source

Operational Services performance:

The following table depicts operational expenditure by source:

FINANCIAL SUMMARY - Expenditure by Source						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
Employee related costs	R 42 280 072.32	R 52 577 128.00	R 52 151 810.00	R 52 692 905.77	0.22%	1.04%
Remuneration of councillors	R 3 285 332.48	R 3 393 770.00	R 3 411 366.00	R 3 737 941.44	10.14%	9.57%
Debt impairment	R 3 640 732.94	R 2 500 000.00	R 2 500 000.00	R 2 426 625.00	-2.94%	-2.94%
impairment	R 18 594 627.56	R 25 881 732.00	R 25 881 732.00	R 22 975 080.00	-11.23%	-11.23%
Finance charges	R 1 060 626.44	R 2 463 654.00	R 1 196 267.00	R 1 007 362.74	-59.11%	-15.79%
Bulk purchases	R 35 316 390.22	R 37 726 538.00	R 38 026 538.00	R 37 768 220.87	0.11%	-0.68%
Other materials	R 114 590.82	R -	R -	R -		
Contracted services	R -	R -	R -	R -		
Transfers and grants	R -	R -	R -	R -		
Other expenditure	R 52 523 995.86	R 8 930 070.00	R 10 444 269.00	R 45 077 954.28	404.79%	331.60%
Loss on disposal of PPE	R 462 197.16	R -	R -	R -		
Total Revenue (excluding capital transfers and contributions)	R 157 278 565.80	R 133 472 892.00	R 133 611 982.00	R 165 686 090.10	24.13%	24.01%

Figure 5.5: Expenditure by Vote

CEDERBERG LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012			
	Notes	2012 R	Restated 2011 R
REVENUE			
Revenue from Non-exchange Transactions		100 891 854	99 645 710
Taxation Revenue		28 079 872	22 292 892
Property Rates	21	24 031 021	22 292 892
Other Taxes	22	4 048 851	-
Transfer Revenue		65 675 858	72 621 553
Government Grants and Subsidies - Capital	23	28 656 155	28 766 275
Government Grants and Subsidies - Operating	23	36 865 148	43 577 140
Public Contributions and Donations	11	154 555	278 138
Other Revenue		7 136 124	4 731 265
Actuarial Gains	4	-	248 238
Third Party Payments		46 598	175 192
Fines	24	3 336 994	4 307 835
Transfer from DMA	25	3 752 533	-
Revenue from Exchange Transactions		76 768 818	69 292 856
Service Charges	26	67 148 067	59 358 753
Rental of Facilities and Equipment	27	2 744 824	3 038 279
Interest Earned - external investments		1 474 128	2 289 590
Interest Earned - outstanding debtors		2 283 086	1 995 717
Agency Services		1 753 725	1 699 935
Other Income	28	1 364 989	910 582
Total Revenue		177 660 672	168 938 566
EXPENDITURE			
Employee related costs	29	57 587 299	46 331 912
Remuneration of Councillors	30	3 559 586	3 285 332
Debt Impairment	31	8 366 652	3 640 733
Collection Cost		2 932	97 510
Depreciation and Amortisation	32	17 823 566	16 751 808
Impairments	33	7 895	122 230
Stock Adjustments		-	5 621
Repairs and Maintenance		5 951 511	7 054 833
Actuarial Losses	4	2 988 606	1 362 903
Finance Charges	34	3 218 851	3 105 771
Bulk Purchases	35	43 422 667	35 460 176
Operating Grant Expenditure	36	14 012 534	22 080 477
General Expenses	37	25 059 572	17 638 811
Loss on disposal of Property, Plant and Equipment		3 529 245	454 353
Loss on disposal of Inventory		70 000	-
Loss on disposal of Intangible Assets		80 539	-
Total Expenditure		185 681 455	157 392 470
NET SURPLUS/(DEFICIT) FOR THE YEAR		(8 020 783)	11 546 096

Figure 5.5: Statement of Financial Performance

As per the above statement, we can see that the Revenue increased by R9 million or 5.3%. The revenue from Services has increased by a significant R9 million with the Taxation Revenue up by R6 million.

The government allocation seems to have reached its ceiling, as there was a reduction in the operational allocation over the 2012 year compared with the 2011. The allocations went down from R72 million to R65 million.

5.3.1 Reliance on State Grants:

RELIANCE ON GRANTS			
Description	FINANCIAL YEAR		
	2009/2010	2010/2011	2011/2012
Grants Allocation	R 55 702 867.72	R 72 621 552.78	R 65 675 857.76
Total Revenue	R 136 636 702.64	R 168 938 565.92	R 177 660 672.24
RELIANCE ON GRANTS	40.77%	42.99%	36.97%

Figure 5.6: Reliance on Grants

The above table shows that Cederberg Municipality has become less dependent on grant allocations. This rate has dropped from 43% to 37% between 2011 and 2012. This reduced dependency is due to the actual decrease in the grant allocations from R72 million to R65 million in the same period. This is after a steep increase from R55 million in 2010 to R72 in 2011. It seems as if treasury had decided to bring the 2011 allocation down as a form of corrective measure for what seems to have been an over allocation in 2011.

The municipality also helped to bring down the reliance ratio by ensuring that it generated R9 million of its own revenue

5.3.2 Budget Comparison of Income and Expenditure by vote

	2012 Actual (R)	2012 Budget (R)	2012 Variance (R)	2012 Variance (%)
Revenue by Source				
Property Rates	24 031 021	24 984 944	(953 923)	-4%
Other Taxes	4 048 851	4 430 896	(382 045)	-9%
Government Grants and Subsidies	65 521 303	78 718 239	(13 196 936)	-17%
Public Contributions and Donations	154 555	-	154 555	0%
Third Party Payments	46 598	26 915	19 683	73%
Fines	3 336 994	4 132 726	(795 732)	-19%
Transfer from DMA	3 752 533	-	3 752 533	0%
Service Charges	67 148 067	67 293 681	(145 614)	0%
Rental of Facilities and Equipment	2 744 824	3 014 863	(270 039)	-9%
Interest earned - external investments	1 474 128	1 243 866	230 262	19%
Interest earned - outstanding debtors	2 283 086	2 070 000	213 086	10%
Agency Services	1 753 725	1 776 397	(22 672)	-1%
Other income	1 364 989	38 490 200	(37 125 211)	-96%
	177 660 672	226 182 727	(48 522 055)	-21%
Expenditure by Nature				
Employee Related Costs	57 587 299	54 963 141	2 624 158	5%
Remuneration of Councillors	3 559 586	4 167 546	(607 960)	-15%
Debt Impairment	8 366 652	2 500 000	5 866 652	235%
Collection Cost	2 932	3 098	(166)	-5%
Depreciation and Amortisation	17 823 566	22 975 080	(5 151 514)	-22%
Impairments	7 895	2 906 652	(2 898 757)	-100%
Repairs and Maintenance	5 951 511	7 618 219	(1 666 708)	-22%
Actuarial Losses	2 988 606	-	2 988 606	0%
Finance Charges	3 218 851	1 521 767	1 697 084	112%
Bulk Purchases	43 422 667	38 026 538	5 396 129	14%
Operating Grant Expenditure	14 012 534	10 651 576	3 360 958	32%
General Expenses	25 059 572	25 569 279	(509 707)	-2%
Loss on disposal of PPE	3 529 245	-	3 529 245	0%
	185 530 916	170 902 896	14 628 020	9%
Surplus for the year	(7 870 244)	55 279 831	(63 150 075)	-114%
Operating Expenditure by Vote				
Budget & Treasury	26 739 511	16 642 380	10 097 131	61%
Community & Social Services	5 806 376	3 873 636	1 932 740	50%
Corporate Services	11 243 707	13 515 724	(2 272 017)	-17%
Electricity	51 086 765	46 028 766	5 057 999	11%
Executive & Council	16 391 123	17 282 485	(891 362)	-5%
Health	560 295	1 195 194	(634 899)	-53%
Housing	5 320 065	4 734 828	585 237	12%
Other	541 081	581 515	(40 434)	-7%
Planning & Development	6 524 940	6 125 191	399 749	7%
Public Safety	4 216 611	4 064 753	151 858	4%
Road Transport	15 268 131	10 199 859	5 068 272	50%
Sport & Recreation	9 438 075	8 713 882	724 193	8%
Waste Management	8 263 314	6 716 369	1 546 945	23%
Waste Water Management	10 480 760	15 651 677	(5 170 917)	-33%
Water	13 800 692	15 576 637	(1 775 945)	-11%
	185 681 447	170 902 896	14 778 551	9%

Figure 5.7: Income and Expenditure by Vote

The revenue was less than the budgeted amount due to a grant from DWA amounting to R13 million that had not been received by the end of the financial year. Another contributing factor to this less than budgeted revenue is the R38 million Other Revenue that was budget to compared with the R1.3 million actual revenue received. The R38 million consists of a transfer from non-distributable reserves to offset the depreciation.

Grants received

GOVERNMENT GRANTS AND SUBSIDIES

	2012	2011
Unconditional Grants	23 024 715	21 436 662
Equitable Share	23 008 783	21 423 060
Provincial Health Subsidy	15 932	13 602
Conditional Grants	42 496 587	50 906 753
Financial Management Grant (FMG)	1 250 000	1 196 835
Municipal Systems Improvement Grant (MSIG)	780 963	737 277
Municipal Infrastructure Grant (MIG)	12 971 170	8 577 356
Housing Grants	7 647 831	27 488 280
Integrated National Electrification Grant	-	3 735 823
Other Grants	19 846 623	9 171 182
Total Government Grants and Subsidies	65 521 303	72 343 415
Government Grants and Subsidies - Capital	28 656 155	28 766 275
Government Grants and Subsidies - Operating	36 865 148	43 577 140
Total Government Grants and Subsidies	65 521 303	72 343 415
As previously reported		72 278 771
Correction of error restatement - note 38.03		91 040
Correction of error restatement - note 38.03		(599 548)
Correction of error restatement - note 38.03		(540 939)
Correction of error restatement - note 38.03		1 114 091
Restated balance		72 343 415

Figure 5.8: Grants Received

Component B: Income and Expenditure by Function

The following tables reflect the Income and Expenditure of key municipal functions.

WATER SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budet	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 11 133.00	R 13 239.00	R 14 346.00	R 15 308.00	15.63%	6.71%
EXPENDITURE:						
Employee related costs	R 5 698.00	R 4 068.00	R 3 619.00	R 3 610.00	-11.26%	-0.25%
Repairs & Maintenance	R 1 139.00	R 623.00	R 1 059.00	R 1 053.00	69.02%	-0.57%
Other	R 7 140.00	R 11 025.00	R 10 899.00	R 9 496.00	-13.87%	-12.87%
TOTAL OPERATIONAL EXPENSES	R 13 977.00	R 15 716.00	R 15 577.00	R 14 159.00	-9.91%	-9.10%
NET OPERATIONAL	R -2 844.00	R -2 477.00	R -1 231.00	R 1 149.00	-146.39%	-193.34%

Figure 5.9: Financial Summary: Water Services

SANITATION SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budet	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 6 697.00	R 7 578.00	R 7 825.00	R 7 793.00	2.84%	-0.41%
EXPENDITURE:						
Employee related costs	R 1 656.00	R 2 576.00	R 2 540.00	R 2 965.00	15.10%	16.73%
Repairs & Maintenance	R 763.00	R 808.00	R 750.00	R 732.00	-9.41%	-2.40%
Other	R 3 597.00	R 3 419.00	R 4 721.00	R 4 421.00	29.31%	-6.35%
TOTAL OPERATIONAL EXPENSES	R 6 016.00	R 6 803.00	R 8 011.00	R 8 118.00	19.33%	1.34%
NET OPERATIONAL	R 681.00	R 775.00	R -186.00	R -325.00	-141.94%	74.73%

Figure 5.10: Financial Summary: Sanitation Services

ELECTRICAL SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budet	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 42 883.00	R 51 248.00	R 51 292.00	R 51 448.00	0.39%	0.30%
EXPENDITURE:						
Employee related costs	R 2 750.00	R 3 333.00	R 3 145.00	R 3 233.00	-3.00%	2.80%
Repairs & Maintenance	R 974.00	R 2 339.00	R 1 403.00	R 1 309.00	-44.04%	-6.70%
Other	R 37 787.00	R 41 250.00	R 41 481.00	R 46 933.00	13.78%	13.14%
TOTAL OPERATIONAL EXPENSES	R 41 511.00	R 46 922.00	R 46 029.00	R 51 475.00	9.70%	11.83%
NET OPERATIONAL	R 1 372.00	R 4 326.00	R 5 263.00	R -27.00	-100.62%	-100.51%

Figure 5.11: Financial Summary: Electrical Services

WASTE MANAGEMENT SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 6 453.00	R 7 687.00	R 7 750.00	R 7 596.00	-1.18%	-1.99%
EXPENDITURE:						
Employee related costs	R 3 823.00	R 4 101.00	R 4 093.00	R 4 240.00	3.39%	3.59%
Repairs & Maintenance	R 295.00	R 348.00	R 344.00	R 341.00	-2.01%	-0.87%
Other	R 2 881.00	R -736.00	R 2 279.00	R 3 365.00	-557.20%	47.65%
TOTAL OPERATIONAL EXPENSES	R 6 999.00	R 3 713.00	R 6 716.00	R 7 946.00	114.00%	18.31%
NET OPERATIONAL	R -546.00	R 3 974.00	R 1 034.00	R -350.00	-108.81%	-133.85%

Figure 5.12: Financial Summary: Financial Services

HOUSING (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 20 274.00	R 5 577.00	R 2 679.00	R 2 923.00	-47.59%	9.11%
EXPENDITURE:						
Employee related costs	R 1 146.00	R 1 124.00	R 1 236.00	R 1 287.00	14.50%	4.13%
Repairs & Maintenance	R -	R -	R -	R -		
Other	R 18 027.00	R 6 699.00	R 3 499.00	R 4 137.00	-38.24%	18.23%
TOTAL OPERATIONAL EXPENSES	R 19 173.00	R 7 823.00	R 4 735.00	R 5 424.00	-30.67%	14.55%
NET OPERATIONAL	R 1 101.00	R -2 246.00	R -2 056.00	R -2 501.00	11.35%	21.64%

Figure 5.13: Financial Summary: Housing

STORMWATER SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R -	R 40.00	R -	R -	-100.00%	# DIV/0!
EXPENDITURE:						
Employee related costs	R 3 407.00	R 1 226.00	R 1 156.00	R 1 266.00	3.26%	9.52%
Repairs & Maintenance	R 422.00	R 653.00	R 467.00	R 519.00	-20.52%	11.13%
Other	R 333.00	R 6 099.00	R 6 018.00	R 398.00	-93.47%	-93.39%
TOTAL OPERATIONAL EXPENSES	R 4 162.00	R 7 978.00	R 7 641.00	R 2 183.00	-72.64%	-71.43%
NET OPERATIONAL	R -4 162.00	R -7 938.00	R -7 641.00	R -2 183.00	-72.50%	-71.43%

Figure 5.14: Financial Summary: Stormwater Services

PLANNING SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budet	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 688.00	R 496.00	R 3 025.00	R 2 285.00	360.69%	-24.46%
EXPENDITURE:						
Employee related costs	R 1 331.00	R 2 564.00	R 2 118.00	R 2 002.00	-21.92%	-5.48%
Repairs & Maintenance	R 5.00	R 14.00	R 17.00	R 16.00	14.29%	-5.88%
Other	R 2 229.00	R 1 349.00	R 3 990.00	R 4 743.00	251.59%	18.87%
TOTAL OPERATIONAL EXPENSES	R 3 565.00	R 3 927.00	R 6 125.00	R 6 761.00	72.17%	10.38%
NET OPERATIONAL	R -2 877.00	R -3 431.00	R -3 100.00	R -4 476.00	30.46%	44.39%

Figure 5.15: Financial Summary: Planning Services

COMMUNITY SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budet	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 345.00	R 464.00	R 1 625.00	R 2 523.00	443.75%	55.26%
EXPENDITURE:						
Employee related costs	R 1 627.00	R 2 035.00	R 1 034.00	R 946.00	-53.51%	-8.51%
Repairs & Maintenance	R 112.00	R 170.00	R 164.00	R 205.00	20.59%	25.00%
Other	R 332.00	R 1 886.00	R 2 676.00	R 4 534.00	140.40%	69.43%
TOTAL OPERATIONAL EXPENSES	R 2 071.00	R 4 091.00	R 3 874.00	R 5 685.00	38.96%	46.75%
NET OPERATIONAL	R -1 726.00	R -3 627.00	R -2 249.00	R -3 162.00	-12.82%	40.60%

Figure 5.16: Financial Summary: Community Services

PUBLIC SAFETY (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budet	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 4 864.00	R 4 332.00	R 4 689.00	R 3 842.00	-11.31%	-18.06%
EXPENDITURE:						
Employee related costs	R 1 722.00	R 2 022.00	R 1 928.00	R 1 964.00	-2.87%	1.87%
Repairs & Maintenance	R 57.00	R 140.00	R 66.00	R 58.00	-58.57%	-12.12%
Other	R 1 510.00	R 2 298.00	R 2 071.00	R 1 864.00	-18.89%	-10.00%
TOTAL OPERATIONAL EXPENSES	R 3 289.00	R 4 460.00	R 4 065.00	R 3 886.00	-12.87%	-4.40%
NET OPERATIONAL	R 1 575.00	R -128.00	R 624.00	R -44.00	-65.63%	-107.05%

Figure 5.17: Financial Summary: Public Safety

SPORTS & RECREATION (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 2 908.00	R 2 644.00	R 2 948.00	R 2 577.00	-2.53%	-12.58%
EXPENDITURE:						
Employee related costs	R 4 926.00	R 5 652.00	R 5 694.00	R 5 700.00	0.85%	0.11%
Repairs & Maintenance	R 368.00	R 709.00	R 482.00	R 482.00	-32.02%	0.00%
Other	R 4 751.00	R 2 565.00	R 2 537.00	R 2 974.00	15.95%	17.23%
TOTAL OPERATIONAL EXPENSES	R 10 045.00	R 8 926.00	R 8 713.00	R 9 156.00	2.58%	5.08%
NET OPERATIONAL	R -7 137.00	R -6 282.00	R -5 765.00	R -6 579.00	4.73%	14.12%

Figure 5.18: Financial Summary: Sports & Recreation

CORPORATE SERVICES (R'000)						
FINANCIAL SUMMARY						
Description	2010/2011	2011/2012 Actual Results			2011/2012 Variance	
	Actual Outcome	Original Budget	Adjustment Budget	Actual	Original Budget	Adjustment Budget
TOTAL OPERATIONAL REVENUE	R 6 007.00	R 8 967.00	R 7 029.00	R 5 986.00	-33.24%	-14.84%
EXPENDITURE:						
Employee related costs	R 3 898.00	R 5 571.00	R 5 854.00	R 5 259.00	-5.60%	-10.16%
Repairs & Maintenance	R 533.00	R 559.00	R 561.00	R 686.00	22.72%	22.28%
Other	R 3 310.00	R 6 940.00	R 7 101.00	R 5 602.00	-19.28%	-21.11%
TOTAL OPERATIONAL EXPENSES	R 7 741.00	R 13 070.00	R 13 516.00	R 11 547.00	-11.65%	-14.57%
NET OPERATIONAL	R -1 734.00	R -4 103.00	R -6 487.00	R -5 561.00	35.53%	-14.27%

Figure 5.19: Financial Summary: Corporate Services

Component C: Ratio Analysis

A financial ratio is a relationship between two or more accounting figures, expressed mathematically. Ratio Analysis helps to ascertain the financial condition of the Municipality.

In financial analysis, a ratio is compared against a benchmark for evaluating the financial position and performance of municipalities with similar characteristics and size. Financial ratios help to summarise large quantities of financial data to make qualitative judgment about the municipality's financial performance.

LIQUIDITY RATIO'S CURRENT RATIO			
Description	FINANCIAL YEAR		
	2009/2010	2010/2011	2011/2012
Current Assets	R 57 967 417.58	R 63 663 695.11	R 38 734 683.38
Current liabilities	R 27 951 935.81	R 38 615 262.44	R 34 833 798.90
Inventory	R 1 460 672.31	R 3 292 480.00	R 3 033 741.75
CURRENT RATIO	2.07:1	1.65:1	1.11:1
ACID-TEST RATIO (QUICK RATIO)	2.02:1	1.56:1	1.02:1

Figure 5.20: Current & Quick Ratio

The liquidity of the municipality is deteriorating and has gone below the 1.5: 1 mark which is a norm in the 2011/2012 financial year. This ratio has decreased from 2.07: 1 during the 2010 financial year to 1.11:1 in 2012.

This ration means that the municipality could struggle to meet its short term financial obligations if the current assets are not increased significantly. The pressure on the liquidity is due to the cash and can equivalents that have decreased by R25 million in 2012. The current liabilities have remained relatively stable.

LIQUIDITY RATIO'S NET WORKING CAPITAL TO REVENUE			
Description	FINANCIAL YEAR		
	2009/2010	2010/2011	2011/2012
Current Assets	R 57 967 417.58	R 63 663 695.11	R 38 734 683.38
Current liabilities	R 27 951 935.81	R 38 615 262.44	R 34 833 798.90
Total Services Revenue	R 69 047 177.02	R 81 651 645.00	R 95 227 938.57
NET WORKING CAPITAL TO REVENUE	43.47%	30.68%	4.10%

Figure 5.20: Net Working Capital to Revenue

This ratio explains the amount of revenue received from Services, which is being re-invested or reserved into working capital. In 2012 only 4.1% in reserved into working capital, a 26% decrease from 2011. Not only is this concerning, but the rate at which this has decreased calls for specific attention to be paid to the working capital management of the municipality.

FINANCIAL LEVERAGE RATIO DEBT/EQUITY RATIO			
Description	FINANCIAL YEAR		
	2009/2010	2010/2011	2011/2012
Total Liabilities	R 63 959 902.23	R 75 832 254.78	R 77 555 459.87
Total Equity	R 389 199 347.06	R 516 031 869.88	R 508 011 091.04
Debt/Equity Ratio	16.43%	14.70%	15.27%

Figure 5.21: Debt to Equity Ratio

The municipality is not highly dependent on debt, and this rate is below the 20% norm and seems to have stabilised around 15% per annum.

RATIO ANALYSIS AVERAGE DEBTORS COLLECTION PERIOD			
Description	FINANCIAL YEAR		
	2009/2010	2010/2011	2011/2012
Total debtors	R 22 082 828.83	R 25 441 750.46	R 29 440 220.08
Total Debtors Revenue	R 95 893 585.26	R 95 893 583.00	R 108 185 683.84
AVERAGE DEBTORS COLLECTION	84.1	96.8	99.3
	DAYS	DAYS	DAYS

Figure 5.22: Debtor's Collection Period

The period within which the municipality should collect its outstanding accounts from tax and services is 45 days. Cederberg Municipality is far from this rate and we are currently at 99 days and have worsened from 84 days in 2010.

The municipality has already started with robust debt recovery initiatives and we expect to see the changes in the next financial reporting period.

RATIO ANALYSIS			
AVERAGE CREDITORS REPAYMENT PERIOD			
Description	FINANCIAL YEAR		
	2009/2010	2010/2011	2011/2012
Total Creditors	R 10 519 592.39	R 25 069 025.00	R 22 753 817.43
Total Services Revenue	R 69 047 177.02	R 81 651 645.00	R 95 227 938.57
AVERAGE CREDITORS REPAYMENT PERIOD	55.6	112.1	87.2
	DAYS	DAYS	DAYS

Figure 5.23: Creditor's Repayment Period

The creditor/supplier repayment period norm is 60 days, and Cederberg Municipality is currently having an 88 days repayment period. This is partly due to the under pressure working capital of the municipality. We are also working on reducing this period to the 60 day norm. If this rate remains this high, we could have suppliers refusing to provide goods and services to the municipality in the mid-term to long run.

Component D: Statement of Financial Position

CEDERBERG LOCAL MUNICIPALITY			
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2012			
	Notes	2012 R	Restated 2011 R
NET ASSETS AND LIABILITIES			
Net Assets		508 011 091	516 031 870
Capital Replacement Reserve	2	5 000 000	5 000 000
Accumulated Surplus		503 011 091	511 031 870
Non-Current Liabilities		42 721 661	37 216 992
Long-term Liabilities	3	8 665 175	8 354 367
Employee Benefits	4	18 619 441	14 160 677
Non-Current Provisions	5	15 437 045	14 701 948
Current Liabilities		34 833 799	38 615 262
Consumer Deposits	6	1 286 164	1 209 260
Current Employee Benefits	7	5 547 288	4 976 092
Provisions	8	2 171 679	2 068 266
Payables from Exchange Transactions	9	21 467 653	23 859 765
Unspent Conditional Government Grants and Receipts	10	1 648 198	4 245 282
Unspent Public Contributions	11	2 409	173 323
Taxes	12	167 832	-
Operating Lease Liability	19	8 206	14 340
Current Portion of Long-term Liabilities	3	2 534 370	2 068 935
Total Net Assets and Liabilities		585 566 551	591 864 126
ASSETS			
Non-Current Assets		546 831 868	528 200 430
Property, Plant and Equipment	13	504 165 136	485 924 792
Investment Property	14	41 940 483	41 951 024
Intangible Assets	15	726 248	324 614
Current Assets		38 734 683	63 663 695
Inventory	16	3 033 742	3 292 480
Receivables from Exchange Transactions	17	21 579 918	15 081 341
Receivables from Non-Exchange Transactions	18	7 860 302	10 360 409
Unpaid Conditional Government Grants and Receipts	10	382 234	2 535 085
Unpaid Public Contributions	11	-	16 359
Operating Lease Asset	19	68 372	65 699
Taxes	12	-	1 282 099
Cash and Cash Equivalents	20	5 810 116	31 030 223
Total Assets		585 566 551	591 864 126

Table 5.24: Statement of Financial Position

There were no major changes in the Statement of Financial Positions, except for the R25 million reductions in the cash balance at the end of the financial year. The cash and cash equivalent balance as at the end of the 2011 financial year was due to funds that were allocated to capital projects which were spent in the 2012 year.

Component E: Cash Flow Statement

CEDERBERG LOCAL MUNICIPALITY			
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012			
	Notes	2012 R	Restated 2011 R
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts			
Ratepayers and Other		92 374 419	85 826 005
Government		66 259 854	65 836 613
Interest		3 757 214	4 285 307
Payments			
Suppliers and Employees		(148 925 745)	(115 683 900)
Finance charges		(3 218 851)	(3 105 771)
Cash generated by operations	39	10 246 892	37 158 254
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	13	(35 897 215)	(36 654 694)
Proceeds from sale of Property, Plant and Equipment		101 103	-
Purchase of Intangible Assets	15	(524 037)	(83 524)
Net Cash from Investing Activities		(36 320 149)	(36 738 218)
CASH FLOW FROM FINANCING ACTIVITIES			
Loans repaid		(2 223 758)	(1 596 077)
New loans raised		3 000 000	222 869
Increase in Consumer Deposits		76 908	96 867
Net Cash from Financing Activities		853 150	(1 276 341)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(25 220 107)	(856 305)
Cash and Cash Equivalents at the beginning of the year		31 030 223	31 886 528
Cash and Cash Equivalents at the end of the year	40	5 810 116	31 030 223
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(25 220 107)	(856 305)

Figure 5.25: Statement of Cash Flow

The cash balance at the end on the 2012 Financial year went down by R25 million, from R31 million in 2011, to R5.5 million.

This was due to the increase in Operational Expenditure spending (as reflected in cash paid to Employees and Suppliers) from R115 million in 2011 to R149 million in 2012). This is a R34 million increase that was matched only by a R7 million increase in cash earned from operations.

The municipality takes inflationary pressures into account when tariffs and operational expenditure are budgeted for.

CONCLUSION:

The finances of the municipality are generally healthy and liquid. There are however areas that require specific attention. These areas include debt collection, reliance on grants, as well as the municipality's ability to spend internal funds on capital projects.

Over the last few month of the financial period under review, we have also capacitated the institution with highly qualified staff to ensure that proper m=financial management initiatives are implemented and that we provided clear and above board financial results in the next financial years.

CHAPTER 6 – AUDITOR GENERAL FINDINGS

The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all municipalities. MSA section 45 states that the results of performance measurement... must be audited annually by the Auditor-General.

6.1 AUDITOR-GENERAL FINDINGS 2010/2011 (Previous Year)

Auditor-General Report on Financial Performance: 2010/2011	
Audit Report Status*:	UNQUALIFIED
Non-Compliance Issues	Remedial Action Taken
As disclosed in note 34 to the financial statements, the corresponding figures for the year ended 30 June 2010 have been restated as a result of errors discovered during the year ended 30 June 2011 in the financial statements of the Cederberg Municipality at, and for the year ended, 30 June 2010.	The corresponding fugues to be rectified in the next financial year and journal entries to be processed accordingly.
The municipality suffered a significant electricity loss of 12 329 236 kilowatt hours (20.09%) with an approximate value of R7 106 573 during the year under review. The high distribution loss is largely as a result of the municipality's own electricity usage that is not metered.	<p>Street lights and municipal usage is to be accurately measured and recorded.</p> <p>The electricity thefts will also receive urgent attention as it is also another contributor to the high levels of electricity losses.</p> <p>Installation of pre-paid electrical system is another initiative that the municipality will investigate.</p>
The draft annual report had not yet been issued by the date of the auditor-general's report	The annual report is to be drafted parallel with the auditor-general process and various reports that form input to the annual report are also to

	be updated regularly or at least once a month.
The municipality did not have key controls to address the systems of collection, collation, verification and storage of performance information. This resulted in the municipality not having sufficient supporting documentation for reported KPIs and the reported KPIs being misstated.	An electronic performance management system (ignite) is to be implemented and updated regularly.
The annual performance report did not contain a comparison of the performance of the municipality with development priorities, objectives and performance indicators set out in its integrated development plan as required by section 46 of the MSA.	<p>The council is to exercise strict care on the performance measurement.</p> <p>All changes on any performance targets are to be approved by the council only.</p>
<p><i>Note: *The report status is supplied by the Auditor General and ranges from unqualified (at best); to unqualified with other matters specified; qualified; adverse; and disclaimed (at worse)</i></p> <p style="text-align: center;">T 6.1.1</p>	

6.2 AUDITOR-GENERAL FINDINGS 2011/2011 (Current Year)

As of the 31 January 2013, when this report was being tabled before council, the Auditor-General had not yet issued its report on the 2011/2012 Financial Performance of the municipality. We therefore, consequently, not comment on it.

Annexure:

- A. 2011/2012 Annual Financial Statements
- B. 2012-2017 Integrated Development Plan

